

# Gender incidence of income tax in Argentina

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## Abstract

The purpose of this paper is to calculate the impact on income and gender distribution of the income tax in Argentina, taking into account its structure and deductions. The aim is to establish the degree of progressivity of the tax and the effect it generates on gender equity when analysing different household classifications

**Key words:** Taxes, inequality, gender

**JEL classification:** H2; I3; D3

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## 1. Introduction

One of the main issues required for the design of tax policy is the knowledge about how the amount of taxes paid gets distributed across different income levels. A tax system satisfies “vertical equity” when sectors with higher taxing capacity pay a greater proportion of tax relatively to other sectors, while “horizontal equity” defines the fact that sectors with the same welfare level, or ability to pay, should pay the same proportion of tax<sup>2</sup>.

A study on the impact of taxes on income distribution is carried out with the aim of evaluating whether the government uses this tool in order to improve income distribution, or, on the contrary, it helps worsen it, albeit in an indirect way. In order to accomplish this conclusion, it is however important to know about the effective incidence, not the legal one, given the fact that the burden of the tax can be traslated.

Systems of taxation on their part have important implications for class and gender equity<sup>3</sup>. The starting point of the argument is that effective tax collection is a necessary, though not sufficient, condition for the amelioration of gender-based poverty and inequality. Low aggregate tax collection hurts women because it prevents the establishment of programs that counteract market distribution of income, in which women are generally disadvantaged. They are disadvantaged in market income because they provide the bulk of the non-paid care work, because their paid work takes place in the informal sector to a greater extent than men’s paid work, and because – if they work in the formal sector – they tend to be employed in smaller enterprises and to earn less than men.

Gender analysis study the impact of taxes and tax policies on intrahousehold welfare. It is important, therefore, to define the relevant welfare indicator as the first necessary step in order to accomplish this analysis. It is thus also important to extend the usual distributive analysis at the intrahousehold level.

The purpose of this study is twofold. On one hand, the aim is to perform an incidence analysis of the personal income tax in Argentina using microdata from the Permanent Household Survey (EPH), in order to find out the magnitude of the progressivity and redistributive effect of income tax.

Additionally, the analysis will develop a methodology with the aim of evaluating whether personal income tax helps improve equity from a gender perspective, with a view to CEDAW principles of gender equity.

The present study is structured as follows: the section 2 introduces the conceptual framework of the analysis of the impact of personal income tax at an intrahousehold level; section 3 presents the legal framework of the tax in Argentina, while section 4 shows the quantitative evolution of the mentioned tax, displaying the composition of tax revenues and its evolution since 1992.

Section 5 shows the results of the incidence analysis on income and gender inequality, taking into account its evolution across income quintiles, the behaviour of tax burden and deductions, while section 6 concludes.

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<sup>2</sup> Santiere, J. J., Gómez Sabaini, J. C., Rossignolo, Darío A. (2000): “Impacto de los impuestos sobre la distribución del ingreso en Argentina en 1997”, Banco Mundial, SPER, Ministerio de Economía

<sup>3</sup> Huber, E. (2005): “Majority Implications of Tax Reform in Latin America: Argentina, Chile, Costa Rica and Jamaica” UNRISD Project on Gender and Social Policy

## 2. Conceptual framework

There are different ways in which taxable units may be defined in a personal income tax regime. Each individual may be taxed separately, heedless of marital status, or couples may be taxed on their joint income, with or without the option of being taxed individually or separately; therefore determining the taxable unit is not trivial.

According to Stotsky<sup>4</sup>, there are in principle four different features that define tax liability in personal income tax:

- The choice of taxable unit
- Sources of income subject to tax
- Tax preferences
- Tax schedule

However, even most careful definitions of tax bases for income tax are not useful to decide who should be taxed with personal income tax, i.e. whether a person should be taxed individually according to his or her own rent, or rather if the tax should lie on the household according to total familiar income.

It is useful to consider the following three principles<sup>5</sup>:

- Personal income tax should establish increasing marginal rates
- Families with the same amount of income should pay the same amount of tax
- Tax burden should not change if they get married; the system should be “marriage neutral”

These characteristics are widespread accepted as desirable features of any tax system; however, it is well known that, in general, it is practically impossible to carry out the three principles simultaneously.

Consider for instance the following example; every tax unit has to pay a 10% tax on its first \$ 6.000 of income, and an increasing marginal rate of 50% on the remaining income. In an individual tax system, B pays a greater amount of tax than the others.

If we suppose that A marries B, and C marries D, A and B pay more income tax than C and D, by summing up individual tax burdens. However, if tax rates apply to household income, their joint tax is now the same, implying that marriage has altered tax burden for individuals.

The choice of taxable unit has important implications for horizontal equity<sup>6</sup>. Regarding the basic notion of horizontal equity, which says that those with equal income should pay equal taxes, it is not clear which definition of tax unit this criterion should be applied to; as the example shows, equity would mean something different depending on the taxable unit.

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<sup>4</sup> Stotsky (1995): “The Choice of Taxable Unit”, op. cit.

<sup>5</sup> This section, and the example provided, is based on Rosen, H. (2002), op. cit.

<sup>6</sup> Stotsky (1995): “The Choice of Taxable Unit”, op. cit.

Table 1  
The choice of taxable unit in a hypothetical tax system

	Individual income	Individual tax	Sum of the individual taxes	Joint income	Joint tax
A	1,000	100	12,200	30,000	12,600
B	29,000	12,100			
C	15,000	5,100	10,200	30,000	12,600
D	15,000	5,100			

Source: Rosen (op.cit.)

The definition is not thus straightforward; if ability to pay is defined based on household income rather than that of the individuals, then the measure of horizontal equity should be based on household income. But, on the grounds of the differences in intrahousehold income allocation it is however somehow arbitrary to define the extent of a household, so perhaps in these cases the individual should be considered as a better taxable unit.

However, the judgement of fairness may change if household income is defined to include the output of non-market work taking place within the household<sup>7</sup>, should this not be done, there may be unfair treatment of households in which both husband and wife do paid work, as compared to those with a male breadwinner and a dependent female homemaker.

According to Elson<sup>8</sup> the reasoning exposed may lead to the thought that the value of non-market household production should be quantified and included in the assessment of household income for tax purposes. The underlying argument for promoting households with one fulltime earner and one fulltime homemaker is often made in terms of being a better way of raising children, with social and economic benefits for the wider society. The issue here is the definition on what is considered to be equal treatment in terms of the incidence of PIT on household income.

A justification for taxing families instead on individuals hinges on the fact that it allows a fairer treatment of non labor income. There exists the danger that, under individual taxation, husbands that perceive high incomes may transfer assets to their wives in order to ameliorate household tax burden. The rationale behind this is the fact that the intrahousehold allocation of property rights is irrelevant. Societies' values, therefore, influence the choice of the most equitable taxing unit.

The choice of taxable unit also has implications on efficiency since it has an effect on the marginal tax rate of the unit and has therefore affects the decision to work (labor supply) and the composition of the household<sup>9</sup>.

One of the most straightforward effects on efficiency refers to the effects of joint taxation on labor supply. Optimal taxation theory prescribes that the government should tax less the goods

<sup>7</sup> This section is based on Elson (2007), op.cit.

<sup>8</sup> Elson (2007), op. cit.

<sup>9</sup> Stotsky (1995): "The Choice of Taxable Unit", op. cit.

and services which have a more elastic supply. Women labor supply is more elastic than men's. Therefore, tax rates on labor income should be lower for women than for men<sup>10</sup>.

The optimality of Gender Based Taxation (GBT) hinges on different elasticities of the labor supply between men and women. If the labor supply elasticity is taken as a primitive, exogenous parameter that differentiates genders, then the argument is quite straightforward. GBT provides substantial welfare, GDP and employment gains because it minimizes the aggregate social loss from labor market distortions<sup>11</sup>.

These results are confirmed by numerical simulations and are robust to perturbations in the modeling framework, and to extensions of the model that consider cross elasticities, heterogeneous households and household production. Nevertheless, this argument is well known in the academic literature, but it is not taken seriously as a policy proposal<sup>12</sup>.

As a result of these issues, the design of income tax may therefore have explicit or implicit gender bias<sup>13</sup>. The former, which is easier to identify since it emerges from tax regulations, may appear in the allocation of nonlabor income, exemptions, deductions and the setting of tax rates and legal incidence. The latter results from marginal tax rates, because an increasing rate for secondary workers may discourage them from entering the labor market via the substitution effect.

### **3. Legal aspects of Personal Income Tax in Argentina**

Income Tax was created in 1932 as an emergency tax; in its first version was a schedular-type tax. When ratified through Act 11.586, it turned into a global-type tax, structured with progressive rates; its taxable base has been expanded by numerous resolutions.

The Income Tax Act sets forth four categories of income based on its source. The first category corresponds to land rent; the second category, to capital gains; the third category, to company and certain business brokers' income; and the fourth category, to personal income. A single taxpayer may generate income corresponding to one or more income categories at the same time<sup>14</sup>.

The calculation of the taxable income is based on the income and expenses corresponding to the four categories and on the participating interests in companies or activities, according to the following sequence:

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<sup>10</sup> Triest (1990): "The Effect of Income Taxation on Labor Supply in the United States"

<sup>11</sup> Alesina, A., Ichino, A. and Karabarbounis, L. (2007): "Gender Based Taxation and the Organization of the Family"

<sup>12</sup> Alesina, A., Ichino, A. and Karabarbounis, L. (2007): "Gender Based Taxation and the Organization of the Family"

<sup>13</sup> Stotsky, J. (1996): 'Gender Bias in Tax Systems', IMF Working Paper 96/99

<sup>14</sup> Rodríguez Enríquez, C., Gherardi, N. and Rossignolo D. (2010): 'Gender Equality and Taxation: The Argentine Case'

- total net income is the income of first, second, third and fourth categories, minus the expenses<sup>15</sup> and special deductions, and minus or plus the profits or losses derived from the participating interests in companies or activities.
- tax income for the year is the income resulting from any adjustments made due to transfer pricing regulations and minus the admitted tax allowances and deductions<sup>16</sup>.
- net taxable income is the tax income minus computable personal deductions, dependency allowances<sup>17</sup>, the minimum non-taxable income and the special deduction.

Table 2  
Personal allowances for income tax on individuals Annual amounts in AR\$

Legislation	2008
Non taxable income	9,000.00
Spouse	10,000.00
Children	5,000.00
Special deduction for self employed taxpayers	9,000.00
Special deduction for employees and retirees	43,200.00
Other family deductions	3,750.00

There are numerous subjective and objective exemptions; among the first are the Income of the federal, provincial and municipal states and agencies thereof; salaries earned by diplomats, consuls and other official representatives of foreign countries in Argentina, profits from cooperative societies of any kind, income of religious institutions, income earned by associations, foundations and non-profit organizations devoted to social welfare, etc.

The most important among the latter are the exemptions on interests accrued on saving accounts deposits, special saving accounts and term deposits, income deriving from securities, shares, bonds, bills of exchange, notes and other securities issued or to be issued in the future by a governmental authority, the rental value of the residence when occupied by its owners, etc. The following items are not exempt: pensions, retirement payments, subsidies and salaries received during medical leaves.

In the case of income tax payers<sup>18</sup>, whether they are self-employed taxpayers or salaried workers, for the purposes of determining the net income of individuals, after personal allowances have been deducted from net income the "taxable income" is determined by applying the pertinent rate to such income, based on a sliding scale structured in 7 brackets, plus a fixed sum, depending on the bracket into which the income falls.

The tax is determined as per taxable net income bracket, based on a sliding scale consisting of a fixed amount plus the amount resulting from the application of a rate increasing from 9% to 35% on the excess of each income bracket bottom level. The following table shows non-taxable income brackets, the fixed amounts for each bracket and their corresponding rates:

<sup>15</sup> Authorized expenses as those "incurred to obtain, maintain and preserve the income subject to this tax", which shall be subtracted from the income produced by the source originating them.

<sup>16</sup> Authorized deductions include interest on debts, amounts paid by insured persons for life insurance, gifts to certain institutions up to 5% of the net income for the fiscal year, etc.

<sup>17</sup> Family expenses that the taxpayer may subtract from his net income, which are detailed herein below.

<sup>18</sup> Rodríguez Enríquez, C., Gherardi, N. and Rossignolo D. (2010): 'Gender Equality and Taxation: The Argentine Case'

Table 3  
Applicable income tax according to income bracket

Accumulated taxable net income				Payment	
Over AR\$	Up to AR\$	AR\$	Plus %	On the excess of AR\$	G= Net taxable income;AR\$
0	10,000	-	9	-	(0,09*G)
10,000	20,000	900	14	10,000	(0,14*G) - 500
20,000	30,000	2,300	19	20,000	(0,19*G) - 1500
30,000	60,000	4,200	23	30,000	(0,23*G) - 2700
60,000	90,000	11,100	27	60,000	(0,27*G) - 5100
90,000	120,000	19,200	31	90,000	(0,31*G) - 8700
120,000	above	28,500	35	120,000	(0,35*G) - 13500

Individuals bound to pay income tax fall into either of the two following categories: self-employed taxpayers or salaried workers. Self-employed taxpayers (that is, independent workers registered as income tax payers) must pay income tax each fiscal year, and on account of such annual obligation they pay five bi-monthly advance payments.

Taxpayers themselves must prepare and file their annual tax return and pay tax advances throughout the fiscal year. Monthly income of salaried workers is subject to withholdings. In this case, withholdings are made by the employers, who are responsible for paying the tax to the tax authorities<sup>19</sup>.

There is a group of taxpayers, referred herein as small taxpayers, that are liable to tax under a unified tax regime. The simplified tax regime for small taxpayers, known as *Monotributo*, was created in 1998<sup>20</sup>. This regime basically consists of a fixed-amount tax paid per month that replaces the payment of Income Tax and Value Added Tax for a single payment plus contributions for Social Security and Health Insurance. Under this regime, income tax is included in a single tax payment which is established based on an income bracket and no rules related to the assessment of income, deductions, dependents or special deductions are applied.

Monotributo is a simplified regime for taxpayers whose gross income does not exceed \$144,000, for the delivery of goods, and \$72,000 for the provision of services. Monotributistas are exempt from Income Tax and Value Added Tax and are not entitled to any of the benefits available to individuals registered as income tax payers, whether as salaried workers or self-employed taxpayers.

The tax levied is a fixed amount established according to the Monotributo category into which taxpayers fall. These categories are determined based on invoicing and/or the surface area of the facilities and/or the use of power during production.

<sup>19</sup> Rodríguez Enríquez, C., Gherardi, N. and Rossignolo D. (2010): 'Gender Equality and Taxation: The Argentine Case'

<sup>20</sup> Act 24,977 enacted on June 03, 1998.

Table 4  
Tax according to activities related to the hiring and/or performance of services

Category	Gross income	Affected surface	Annual energy consumption	Tax amount	Social security contributions	Health insurance contributions	Total payable
A	Up to AR\$ 12.000	Up to 20 m2	Up to 2.000 KW	AR\$33	AR\$ 35	AR\$37	AR\$105
B	Up to AR\$ 24.000	Up to 30 m2	Up to 3.300 KW	AR\$39	AR\$ 35	AR\$37	AR\$111
C	Up to AR\$ 36.000	Up to 45 m2	Up to 5.000 KW	AR\$75	AR\$ 35	AR\$37	AR\$147
D	Up to AR\$ 48.000	Up to 60 m2	Up to 6.700 KW	AR\$128	AR\$ 35	AR\$37	AR\$200
E	Up to AR\$ 72.000	Up to 85 m2	Up to 10.000 KW	AR\$210	AR\$ 35	AR\$37	AR\$282

Table 5  
Tax according to other activities

Category	Gross income	Affected surface	Annual energy consumption	Tax amount	Social security contributions	Health insurance contributions	Total payable
F	Up to AR\$ 12.000	Up to 20 m2	Up to 2.000 KW	AR\$33	AR\$ 35	AR\$37	AR\$105
G	Up to AR\$ 24.000	Up to 30 m2	Up to 3.300 KW	AR\$39	AR\$ 35	AR\$37	AR\$111
H	Up to AR\$ 36.000	Up to 45 m2	Up to 5.000 KW	AR\$75	AR\$ 35	AR\$37	AR\$147
I	Up to AR\$ 48.000	Up to 60 m2	Up to 6.700 KW	AR\$118	AR\$ 35	AR\$37	AR\$190
J	Up to AR\$ 72.000	Up to 85 m2	Up to 10.000 KW	AR\$194	AR\$ 35	AR\$37	AR\$266
K	Up to AR\$ 96.000	Up to 110 m2	Up to 13.000 KW	AR\$310	AR\$ 35	AR\$37	AR\$382
L	Up to AR\$ 120.000	Up to 150 m2	Up to 16.500 KW	AR\$405	AR\$ 35	AR\$37	AR\$477
M	Up to AR\$ 144.000	Up to 200 m2	Up to 20.000 KW	AR\$505	AR\$ 35	AR\$37	AR\$577

Argentina has adopted the principle of individual filing: irrespective of his/her civil status, each individual taxpayer must file a personal tax return (if applicable)<sup>21</sup> and pay taxes on the taxable income. Income deriving from personal activities (profession, craft, employment, trade, industry), personal property and property acquired with the proceeds of the spouse's profession, craft, employment, trade or industry should be allocated to each spouse.

A number of exemptions, however, allocate to the husband certain common source income in the case of married couples, such as benefits deriving from community property shall be fully allocated to the husband in almost all cases<sup>22</sup>.

The Income Tax Act regime requires each spouse to file a separate tax return, and certain types of income are collectively attributed to the husband. In this sense, the husband is attributed all income not attributable to the wife. The wife shall be attributed income deriving from personal activities and property acquired with the proceeds of said activities: the wife is attributed the proceeds of her personal activities: profession, craft, industry or trade.

It is important to determine whether the tax regime in Argentina is individual or collective, considering spouses and families as a tax unit; it is worth considering that Argentina does not apply different rates for men and women and tax rates for married women are not different than tax rates for married men.

Out of these three possible ways of discrimination, the third one does not apply to the Argentine case, as men and women are subject to the same tax rates. The first two, however, should be assessed in relation to the application of Income Tax.

<sup>21</sup> As referred before, Income Tax may be paid through tax returns or withholdings on wages and salaries or through the simplified *monotributo* regime.

<sup>22</sup> Rodríguez Enríquez, C., Gherardi, N. and Rossignolo D. (2010): "Gender Equality and Taxation: The Argentine Case"



It is generally accepted that the applicable regime is not quite the individual taxation regime that it appears to be, but rather a hybrid regime, for it contains cases where the spouses are subject to a kind of joint taxation and which actually prove more burdensome to the family.<sup>23</sup>

#### 4. Evolution of Personal Income Tax revenues in Argentina

Although Personal Income Tax has had a relative importance in the decade that goes from 1945 to 1955<sup>24</sup>, throughout more than the following three decades it started to lose relative weight in total tax revenues; from 1990 onward, however, it began regaining quantitative relevance.<sup>25</sup>

The allocation of income tax revenues reveals that there is a much greater proportion of income tax from corporations, and a reduced importance of personal income tax, which has produced about 1,6% of GDP at its peak.

Table 6  
Total revenues for Personal Income Tax (1991-2009)

Year	Total	Personal	Corporations	Foreign beneficiaries	Total	Personal	Corporations	Foreign beneficiaries
	% of total				% of GDP			
1992	5.74	1.51	3.91	0.32	1.21	0.30	0.84	0.07
1993	8.37	2.60	5.28	0.48	1.81	0.54	1.16	0.11
1994	10.47	3.41	6.46	0.60	2.26	0.71	1.42	0.13
1995	11.86	3.80	7.37	0.68	2.42	0.75	1.53	0.14
1996	12.69	4.89	7.32	0.47	2.50	0.94	1.47	0.10
1997	13.82	4.43	8.44	0.95	2.85	0.89	1.76	0.20
1998	15.11	4.67	9.37	1.07	3.17	0.96	1.99	0.23
1999	15.39	5.04	8.96	1.39	3.26	1.05	1.92	0.30
2000	17.33	6.39	9.66	1.28	3.68	1.30	2.10	0.28
2001	17.88	6.52	10.00	1.36	3.76	1.35	2.11	0.29
2002	14.14	5.58	6.85	1.71	2.85	1.12	1.39	0.35
2003	16.55	5.58	9.57	1.39	3.92	1.32	2.28	0.33
2004	18.68	5.16	12.62	0.91	4.98	1.37	3.37	0.24
2005	19.42	5.66	12.79	0.97	5.27	1.53	3.48	0.26
2006	18.55	5.50	12.02	1.03	5.14	1.52	3.33	0.29
2007	17.99	5.35	11.67	0.97	5.28	1.57	3.43	0.28
2008	16.77	5.50	10.28	0.99	5.21	1.70	3.20	0.31
2009	15.33	5.35	9.05	0.93	4.85	1.69	2.86	0.29

Source: author's calculations from Ministry of Economy data

A comparison between Argentina and OECD countries shows great differences; not only the latter get a revenue from income tax that is three times higher than that of Argentina (in terms of proportion to GDP), the structure shows that, on average, 72% of income tax revenues come from personal income tax, while that proportion is, in Argentina, 30%, with a 70% for corporations.

<sup>23</sup> See discussion in Rodríguez Enríquez, C., Gherardi, N. and Rossignolo D. (2010): "Gender Equality and Taxation: The Argentine Case"

<sup>24</sup> Boletín Estadístico de la AFIP, 2006.

<sup>25</sup> Gómez Sabaini and Rossignolo (2009): "Argentina. Análisis de la situación tributaria y propuestas de reformas impositivas destinadas a mejorar la distribución del ingreso", ILO

Three items should be mentioned among the main reasons for the low importance of Personal Income Tax on total tax revenues<sup>26</sup>. First of all, the different treatment between income from labor (taxed) and that of capital (not taxed). The narrowness of tax base limits itself the width of the base to wages, that are paid through withholding mechanisms.

Secondly, it is worth noting, as will be seen in the calculations, that a very reduced proportion of the population is actually due to pay the tax, given the existence of deductions, non taxable income, and the previously mentioned exclusion of capital rents.

And in the third place, the low level of compliance, on the grounds of evasion and elusion that are impulsed by the non taxed income sources, constituting elements that reduce the effective revenues obtained from the tax.

## 5. Incidence analysis

In this section, the effects of Personal Income Tax on income distribution and gender equity will be evaluated. The methodology applied for incidence calculation, the issues that are relevant for the determination and adjustments related to the income that can be obtained from the household survey (EPH) and the different classifications used for gender analysis will be explained in great detail in the Methodological Appendix

In accordance with which can be seen in the following table, and with the aim of evaluating progressivity and distributive impact of the tax, it is shown that income tax is progressive (Kakwani index is positive) and it improves income distribution, given the fact that post tax Gini coefficient is smaller than pre tax Gini coefficient (this can also be seen in the positiveness of Reynolds Smolensky coefficient, assuming no reordering of the individuals in the distribution). A proportion of 68% of actual revenues for 2008 could be reproduced in the calculations, meanwhile 4% of the analyzed population were determined to be due to pay the tax.

Table 7  
Summary of basic results for PIT analysis

Total tax revenue for Personal Income Tax 2008 (thousand pesos)	17,542.01
Total estimated tax revenue for PIT 2008 (thousand pesos)	11,924.95
Percentage	0.68
Total number of persons in EPH	24,394,684
Total estimated number of persons due with income tax	995,905
Percentage	0.04
Gini coefficient for pre tax income distribution	0.4511
Concentration index for PIT	0.9024
Gini coefficient for post tax income distribution	0.4395
Kakwani index for PIT	0.4513
Reynolds Smolensky index for PIT	0.0115

Source: author's calculations, based on EPH

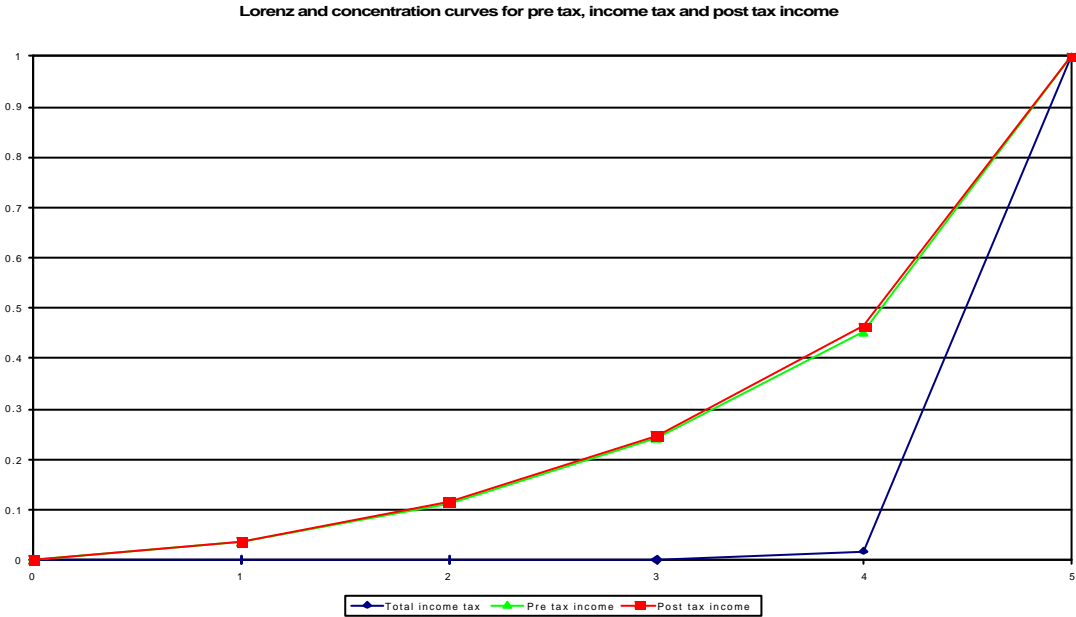
The following table shows aggregate results of incidence analysis in terms of pre tax mean incomes, deductions, mean taxes paid and post tax mean incomes, all expressed in annual terms.

<sup>26</sup> Gómez Sabaini and Rossignolo (op. cit.)

It is important to clarify that, according to what is explained in the methodological Appendix, the calculation process implies that, starting from pre tax income, then income sources that are subject to tax are selected (wages, self employed salaries, employers, retirement payments and rents excluding those from capital); later on special deductions, non imposable minimums and family allowances, and monotributistas are excluded, therefore arriving at the taxable base, from where legal rates are applied in order to arrive at the amount of tax every individual is due. In order to get the amount of tax a household is due, taxes from each individual are summed up. This implies that post tax income should not be read as pre tax income net of deductions and non taxable incomes.

Additionally, progressivity and distributional effects can be seen in the following graph, where it can be noted that Lorenz pre tax income curve is below that of post tax curve, what expresses an improvement in income distribution. This is mostly due to the progressivity of income tax, which concentration curve is below Lorenz pre tax income curve, given the fact that tax is concentrated on highest income quintiles.

Graph 1



Regarding the results for household type, male headed households have a pre tax annual income of AR\$ 70.057, while that for female headed is AR\$ 48.836. After income tax, male headed households' mean income is AR\$ 68.000, whereas that of female headed is AR\$ 48.099, given the fact that the former ones pay AR\$ 2.056,76 on income tax and the latter ones a mean tax of AR\$ 737,50 .

Table 8  
**Overall Incidence by Household Types**  
Means of pre-tax income, deductions, total income tax and post-tax income (standard errors in italics)

	Household income	Total deductions	Total income tax	Net Household income	# of Households
<b>Headship</b>					
Male headed	70,057.06	32,311.11	2,056.76	68,000.30	4,901,406
	<i>95,380.70</i>	<i>31,098.80</i>	<i>9,649.91</i>	<i>91,480.37</i>	
Female headed	48,836.79	22,806.40	737.50	48,099.29	2,500,248
	<i>108,864.11</i>	<i>26,401.15</i>	<i>5,172.51</i>	<i>107,779.42</i>	
Total	62,888.94	29,100.46	1,611.12	61,277.82	7,401,654
	<i>100,637.34</i>	<i>29,934.22</i>	<i>8,431.45</i>	<i>97,743.31</i>	
<b>Employment Categories</b>					
Male breadwinner	55,262.11	25,479.81	1,615.35	53,646.76	2,345,966
	<i>56,522.25</i>	<i>26,509.92</i>	<i>8,499.60</i>	<i>51,424.50</i>	
Female breadwinner	44,180.54	23,346.99	639.77	43,540.76	1,112,658
	<i>51,322.66</i>	<i>25,214.76</i>	<i>4,255.24</i>	<i>49,931.69</i>	
Dual earner	91,882.18	41,083.38	2,759.37	89,122.81	2,654,958
	<i>118,239.62</i>	<i>35,305.59</i>	<i>11,112.35</i>	<i>114,258.57</i>	
None employed	33,179.80	15,965.62	75.73	33,104.07	1,288,072
	<i>135,176.14</i>	<i>15,174.46</i>	<i>956.58</i>	<i>135,124.90</i>	
Total	62,888.94	29,100.46	1,611.12	61,277.82	7,401,654
	<i>100,637.34</i>	<i>29,934.22</i>	<i>8,431.45</i>	<i>97,743.31</i>	
<b>Household Sex Composition</b>					
Male-majority	73,369.89	30,791.36	2,482.64	70,887.25	1,546,570
	<i>86,172.62</i>	<i>31,683.66</i>	<i>11,569.65</i>	<i>80,342.66</i>	
Female-majority	52,997.36	25,259.41	859.11	52,138.25	2,385,032
	<i>107,028.59</i>	<i>28,600.59</i>	<i>5,413.72</i>	<i>105,699.66</i>	
Equal # females & males	65,016.34	30,986.86	1,739.56	63,276.78	3,470,052
	<i>101,496.07</i>	<i>29,780.96</i>	<i>8,432.46</i>	<i>98,599.42</i>	
Total	62,888.94	29,100.46	1,611.12	61,277.82	7,401,654
	<i>100,637.34</i>	<i>29,934.22</i>	<i>8,431.45</i>	<i>97,743.31</i>	

Source: author's calculations, based on EPH

Male breadwinner households earn a mean annual income of AR\$ 55.262 pesos, while female breadwinners get AR\$ 44.180 before taxes, and dual earners AR\$ 91.882. After the tax, male breadwinner's household income is AR\$ 53.646 while female breadwinner's is AR\$ 43.540; the former pay AR\$ 1.615 and the latter AR\$ 639.77; dual earners, meanwhile, get a post tax income of AR\$ 89.122 because their tax is AR\$ 2.759.

Male majority households earn a pre tax mean income of AR\$ 73.369; female majority earn 52.997 pesos, and equally numbered, 65.016 pesos. After income tax, male majority get AR\$ 70.887, female majority, 52.138 pesos, because the first pay AR\$ 2.482 and the second ones AR\$ 859 for income tax; equally numbered pay AR\$ 1.739 and their post tax income is 63.276 pesos.

## 5.1. Results for households classified by sex composition and income quintile

This section presents the expanded results of the study in terms of pre tax mean incomes, mean taxes and post tax mean annual incomes by quintile and household classification. The Statistical Appendix presents the disaggregated tables per quintile and household classification, where means and standard deviations can be seen. These tables are the main source of the results that will be exposed.

Additionally to what was previously mentioned, vertical and horizontal structures have been calculated; vertical structure represents the evolution of every indicator (pre tax, tax and post tax income) for every household category, while horizontal structure shows the participation, for every income quintile, of the income or tax every household classification. Rather than taking into account the means, this calculation was performed considering total incomes and taxes for every quintile and household classification that roots from multiplying the means by the amount of households that are exposed in the Statistical Appendix.

Households with equal number of males and females with children concentrate the highest proportion of pre tax income (28,25%); male majority households without children, 16,25%, meanwhile male majority households with children have a 8,13% of total pre tax household income. However, if we consider the lowest quintile, the greatest share is concentrated on equal number of males and females with children (45,97%) and female majority with children (32,29%).

Table 9  
Total pre tax income of households by sex composition, presence of children, and quintile

Quint	Description	Male majority HH		Female majority HH		Equal # males and females HH		Total
		With children	Without children	With children	Without children	With children	Without children	
1	Mean income per household (AR\$)	21,661.03	8,416.30	16,861.35	7,919.79	18,086.94	9,383.76	16,502.30
	vertical structure	5.80%	0.50%	10.08%	0.65%	5.81%	0.60%	3.57%
	horizontal structure	13.21%	2.29%	32.29%	2.84%	45.97%	3.40%	100.00%
2	Mean income per household (AR\$)	42,714.17	18,351.35	36,261.90	16,268.29	33,446.00	17,290.09	29,599.65
	vertical structure	14.67%	2.00%	15.44%	3.49%	11.92%	2.98%	7.80%
	horizontal structure	15.28%	4.18%	22.65%	7.03%	43.15%	7.71%	100.00%
3	Mean income per household (AR\$)	61,994.33	30,146.81	54,672.51	21,445.04	49,803.80	27,275.68	38,678.46
	vertical structure	16.98%	6.75%	22.73%	9.82%	15.61%	8.46%	12.74%
	horizontal structure	10.83%	8.61%	20.41%	12.10%	34.61%	13.43%	100.00%
4	Mean income per household (AR\$)	95,319.43	51,594.55	79,791.24	37,860.37	77,953.96	47,305.46	59,968.10
	vertical structure	28.82%	17.09%	22.78%	19.01%	24.60%	17.09%	21.12%
	horizontal structure	11.09%	13.15%	12.34%	14.14%	32.91%	16.36%	100.00%
5	Mean income per household (AR\$)	200,731.95	114,656.81	170,475.06	107,257.01	163,931.96	119,071.93	127,812.63
	vertical structure	33.73%	73.65%	28.97%	67.03%	42.06%	70.87%	54.77%
	horizontal structure	5.00%	21.85%	6.05%	19.23%	21.70%	26.16%	100.00%
Total	Mean income per household (AR\$)	73,765.78	73,173.50	52,777.47	53,158.65	63,969.43	66,538.13	62,888.94
	vertical structure	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	horizontal structure	8.13%	16.25%	11.44%	15.71%	28.25%	20.22%	100.00%

Source: author's calculations, based on EPH

The following table shows the amount of tax borne by households. A percentage of 98,23% of personal income tax is paid by the highest quintile, while the 60% of the lowest income population bears a 0,02% of personal income tax. The equal number of males and females households with children bear a 27,37% of income tax.

Table 10  
Total tax per household by sex composition, presence of children, and quintile

Quint	Description	Male majority HH		Female majority HH		Equal # males and females HH		Total
		With children	Without children	With children	Without children	With children	Without children	
1	Mean tax per household (AR\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	vertical structure	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	horizontal structure	-	-	-	-	-	-	-
2	Mean tax per household (AR\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	vertical structure	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	horizontal structure	-	-	-	-	-	-	-
3	Mean tax per household (AR\$)	2.79	0.72	3.47	0.00	1.56	0.00	1.19
	vertical structure	0.02%	0.00%	0.12%	0.00%	0.02%	0.00%	0.02%
	horizontal structure	15.89%	6.66%	42.16%	0.00%	35.29%	0.00%	100.00%
4	Mean tax per household (AR\$)	383.52	40.71	120.39	18.05	302.06	14.90	127.76
	vertical structure	3.57%	0.39%	2.92%	0.47%	3.84%	0.18%	1.76%
	horizontal structure	20.95%	4.87%	8.74%	3.17%	59.86%	2.42%	100.00%
5	Mean tax per household (AR\$)	18,627.31	5,353.69	6,726.17	3,094.35	9,298.47	4,942.12	5,872.92
	vertical structure	96.40%	99.60%	96.96%	99.53%	96.14%	99.82%	98.23%
	horizontal structure	10.11%	22.21%	5.20%	12.07%	26.78%	23.63%	100.00%
Total	Mean tax per household (AR\$)	2,394.69	2,526.27	622.22	1,032.88	1,587.40	1,960.75	1,611.12
	vertical structure	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	horizontal structure	10.30%	21.90%	5.27%	11.92%	27.37%	23.25%	100.00%

Source: author's calculations, based on EPH

When considering post tax income, households with equal number of males and females with children concentrate the highest proportion of post tax income (28,28%); male majority households without children, 16,10%, meanwhile male majority households with children have a 8,07% of total post tax household income.

Table 11  
Total post tax income of households by sex composition, presence of children, and quintile

Quint	Description	Male majority HH		Female majority HH		Equal # males and females HH		Total
		With children	Without children	With children	Without children	With children	Without children	
1	Post tax mean income (AR\$)	21,661.03	8,416.30	16,861.35	7,919.79	18,086.94	9,383.76	16,502.30
	vertical structure	6.00%	0.52%	10.20%	0.66%	5.96%	0.62%	3.67%
	horizontal structure	13.21%	2.29%	32.29%	2.84%	45.97%	3.40%	100.00%
2	Post tax mean income (AR\$)	42,714.17	18,351.35	36,261.90	16,268.29	33,446.00	17,290.09	29,599.65
	vertical structure	15.16%	2.08%	15.62%	3.56%	12.22%	3.07%	8.01%
	horizontal structure	15.28%	4.18%	22.65%	7.03%	43.15%	7.71%	100.00%
3	Post tax mean income (AR\$)	61,991.54	30,146.09	54,669.04	21,445.04	49,802.24	27,275.68	38,677.27
	vertical structure	17.55%	6.99%	23.00%	10.01%	16.01%	8.72%	13.08%
	horizontal structure	10.83%	8.61%	20.41%	12.10%	34.61%	13.43%	100.00%
4	Post tax mean income (AR\$)	94,935.91	51,553.84	79,670.85	37,842.31	77,651.90	47,290.56	59,840.34
	vertical structure	29.67%	17.69%	23.01%	19.38%	25.13%	17.61%	21.63%
	horizontal structure	11.07%	13.17%	12.35%	14.17%	32.85%	16.39%	100.00%
5	Post tax mean income (AR\$)	182,104.64	109,303.13	163,748.89	104,162.65	154,633.48	114,129.81	121,939.71
	vertical structure	31.62%	72.72%	28.16%	66.39%	40.68%	69.99%	53.62%
	horizontal structure	4.76%	21.84%	6.09%	19.58%	21.45%	26.28%	100.00%
Total	Post tax mean income (AR\$)	71,371.09	70,647.23	52,155.25	52,125.77	62,382.03	64,577.39	61,277.82
	vertical structure	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	horizontal structure	8.07%	16.10%	11.61%	15.81%	28.28%	20.14%	100.00%

Source: author's calculations, based on EPH

In order to determine whether personal income tax helps reduce inequalities among different types of households, a comparison between pre tax income and post tax income should be carried out. For instance, female majority households with children have an 11,44% of pre tax income, bear a 5,27% of personal income tax, and concentrate an 11,61% of post tax income. Female majority households without children also increase their share of income, from an initial 15,71% to a 15,81% of post tax income, while both male majority households reduce their share of income.

According to Elson<sup>27</sup>, an appropriate indicator to express whether income tax helps reduce gender inequity would be the difference in pre tax incomes and post tax incomes between different household classifications. Male majority households with children have a pre tax annual mean income of AR\$ 73.765, while female majority households with children have a pre tax income of AR\$ 52.777, representing 71,5% of male's income. After the tax, both incomes are AR\$ 71.371 and AR\$ 52.155, now representing 73% of male households' income.

If we consider without children households, male majority have a pre tax annual mean income of AR\$ 73.173, while female majority ones have an income of AR\$ 53.158, representing 72,6% of male households' income. After PIT incidence, male households' average income goes to AR\$ 70.647 while female households' average income is AR\$ 52.125, which implies 73,7% of that of male households.

Deductions could be seen as a sort of transfer to households in order to alleviate the burden from income tax; they are not explicit transfers, but they are certainly a loss in tax revenues. Therefore, their characterization as public expenditure goes together with that of tax expenditures, though is certainly controversial to consider the deductions analyzed here as tax expenditures in themselves, because of the fact that they are "general" and do not attend particular cases.

If we consider deductions as a percentage of pre tax income in order to derive a measure for the benefit households get from them, in the forthcoming table and graph is evident that the benefit from deduction rises initially up to a peak in the third quintile, and then fall, meaning that the benefit from deductions is initially regressive, and then progressive from the third quintile on<sup>28</sup>.

The greater benefit from deductions is received by female majority and equal number of males and females (over 47% of pre tax income), while male majority households receive less benefit (44,8% for the ones with children, and 40,5% for the ones without children).

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<sup>27</sup> Elson, D. (2007), op. cit.

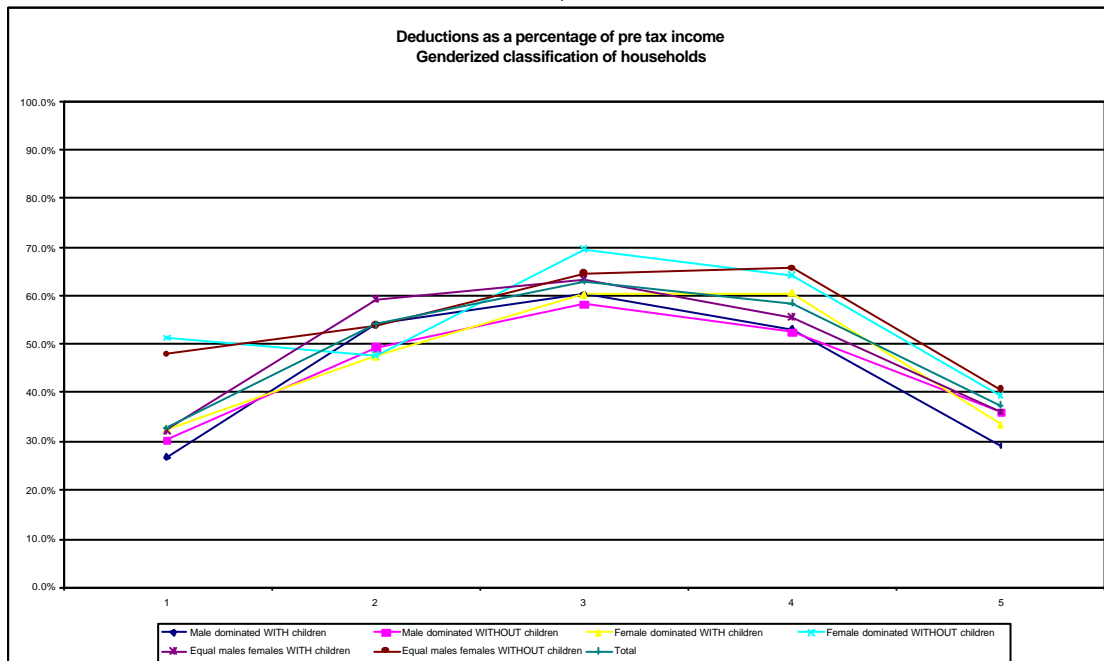
<sup>28</sup> It is worth noting, however, that these are effective deductions, i.e. those considered up to taxable income.

Table 12  
Deductions as a percentage of pre tax income by sex composition, presence of children, and quintile

Quint	Description	Male majority HH		Female majority HH		Equal # males and females HH		Total
		With children	Without children	With children	Without children	With children	Without children	
1	Deductions	26.80%	30.19%	32.63%	51.43%	32.32%	48.06%	32.72%
	vertical structure	59.80%	74.46%	68.21%	108.18%	67.71%	101.07%	70.71%
	horizontal structure	81.91%	92.26%	99.71%	157.17%	98.78%	146.87%	100.00%
2	Deductions	54.08%	49.38%	47.48%	47.84%	59.30%	53.91%	54.19%
	vertical structure	120.65%	121.80%	99.25%	100.65%	124.23%	113.37%	117.11%
	horizontal structure	99.79%	91.12%	87.61%	88.29%	109.44%	99.48%	100.00%
3	Deductions	60.41%	58.18%	60.40%	69.57%	63.52%	64.68%	62.97%
	vertical structure	134.78%	143.51%	126.27%	146.34%	133.06%	136.01%	136.09%
	horizontal structure	95.92%	92.39%	95.92%	110.47%	100.87%	102.70%	100.00%
4	Deductions	53.03%	52.60%	60.45%	64.24%	55.65%	65.65%	58.40%
	vertical structure	118.32%	129.74%	126.38%	135.14%	116.58%	138.07%	126.21%
	horizontal structure	90.80%	90.06%	103.51%	109.99%	95.29%	112.42%	100.00%
5	Deductions	29.03%	35.96%	33.54%	39.52%	36.10%	40.87%	37.47%
	vertical structure	64.77%	88.69%	70.11%	83.14%	75.63%	85.95%	80.97%
	horizontal structure	77.48%	95.97%	89.51%	105.48%	96.36%	109.09%	100.00%
Total	Deductions	44.82%	40.54%	47.83%	47.54%	47.74%	47.55%	46.27%
	vertical structure	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	horizontal structure	96.86%	87.61%	103.37%	102.73%	103.16%	102.77%	100.00%

Source: author's calculations, based on EPH

Graph 2



One of the most usual indicators for expressing progressivity of taxes is the “tax burden”, or taxes as a percentage of pre tax income. Personal income tax has an average burden of 2,5% of pre tax income; male majority households bear the greatest burden, especially the classification without children.



Table 13

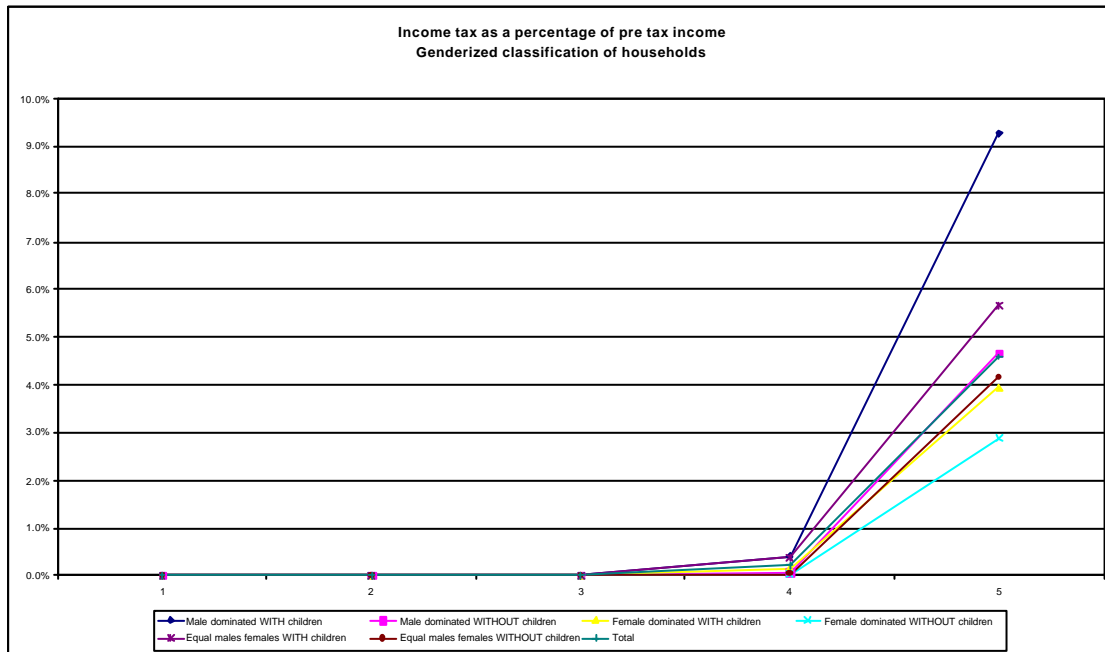
Income tax as a percentage of pre tax income by sex composition, presence of children, and quintile

Quint	Description	Male majority HH		Female majority HH		Equal # males and females HH		Total
		With children	Without children	With children	Without children	With children	Without children	
1	Income tax	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	vertical structure	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	horizontal structure	-	-	-	-	-	-	-
2	Income tax	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	vertical structure	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	horizontal structure	-	-	-	-	-	-	-
3	Income tax	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%
	vertical structure	0.14%	0.07%	0.54%	0.00%	0.13%	0.00%	0.12%
	horizontal structure	146.73%	77.29%	206.55%	0.00%	101.95%	0.00%	100.00%
4	Income tax	0.40%	0.08%	0.15%	0.05%	0.39%	0.03%	0.21%
	vertical structure	12.39%	2.29%	12.80%	2.45%	15.61%	1.07%	8.32%
	horizontal structure	188.86%	37.04%	70.82%	22.38%	181.88%	14.79%	100.00%
5	Income tax	9.28%	4.67%	3.95%	2.88%	5.67%	4.15%	4.59%
	vertical structure	285.85%	135.25%	334.67%	148.48%	228.58%	140.85%	179.36%
	horizontal structure	201.95%	101.62%	85.87%	62.79%	123.44%	90.33%	100.00%
Total	Income tax	3.25%	3.45%	1.18%	1.94%	2.48%	2.95%	2.56%
	vertical structure	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	horizontal structure	126.72%	134.76%	46.02%	75.84%	96.86%	115.03%	100.00%

Source: author's calculations, based on EPH

The “horizontal structure” reveals the “differential tax burden”. So, male majority households pay a 34,7% more than average tax burden, while female majority households with children pay 54% less than the average tax burden.

Graph 3



## 5.2. Results for households classified by gender of employment status and income quintile

Households with males and females employed with children concentrate the highest proportion of pre tax income (30,48%); males and females employed households without children, 21,93%, meanwhile male breadwinner households with children have a 12,5% of total pre tax household income and households with female breadwinner with children have a 6,4% of total. If we consider the lowest quintile, the greatest share is concentrated on male breadwinner households with children, (45,33%) and both employed with children (26,7%).

Table 14  
Total pre tax income by gender of employment status and quintile

Quin	Description	At least one male employed and no females employed		At least one female employed and no males employed		Both employed		No one employed		Total
		With children	Without children	With children	Without children	With children	Without children	With children	Without children	
1	Mean income per household (AR\$)	19,742.27	9,718.48	14,150.48	8,850.52	22,872.13	9,875.84	8,555.39	7,662.69	16,502.30
	vertical structure	12.88%	0.56%	12.57%	1.05%	3.13%	0.11%	26.61%	1.48%	3.57%
	horizontal structure	45.33%	2.42%	14.46%	1.89%	26.71%	0.70%	4.97%	3.53%	100.00%
2	Mean income per household (AR\$)	34,744.80	21,091.34	27,629.35	17,425.86	41,056.71	24,297.72	22,633.57	13,390.61	29,599.65
	vertical structure	22.87%	2.65%	16.22%	4.38%	8.70%	1.09%	19.74%	6.45%	7.80%
	horizontal structure	36.85%	5.19%	8.55%	3.62%	33.99%	3.07%	1.69%	7.04%	100.00%
3	Mean income per household (AR\$)	50,224.63	31,953.87	40,459.36	26,010.11	58,229.57	41,867.38	35,893.51	17,506.01	38,678.46
	vertical structure	20.90%	8.39%	20.52%	8.66%	15.92%	4.65%	10.26%	17.49%	12.74%
	horizontal structure	20.62%	10.07%	6.62%	4.38%	38.09%	8.01%	0.54%	11.69%	100.00%
4	Mean income per household (AR\$)	77,151.87	47,727.24	60,599.55	36,413.10	87,191.13	65,731.75	49,873.17	26,917.09	59,968.10
	vertical structure	23.49%	18.27%	23.34%	17.48%	25.94%	16.75%	12.16%	19.09%	21.12%
	horizontal structure	13.98%	13.22%	4.54%	5.34%	37.44%	17.40%	0.38%	7.70%	100.00%
5	Mean income per household (AR\$)	159,242.53	100,846.25	131,823.54	77,556.89	175,750.26	144,932.29	189,273.76	110,892.73	127,812.63
	vertical structure	19.85%	70.12%	27.35%	68.43%	46.30%	77.39%	31.24%	55.49%	54.77%
	horizontal structure	4.55%	19.57%	2.05%	8.06%	25.77%	30.99%	0.38%	8.63%	100.00%
Total	Mean income per household (AR\$)	46,375.70	65,596.87	38,832.44	48,427.88	84,512.23	104,555.47	21,382.65	34,678.97	62,888.94
	vertical structure	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	horizontal structure	12.57%	15.28%	4.11%	6.45%	30.48%	21.93%	0.67%	8.51%	100.00%

Source: author's calculations, based on EPH

The following table shows the amount of tax borne by households. A percentage of 98,23% of personal income tax is paid by the highest quintile. The males and females employed households with children bear a 31,9% of income tax; female breadwinner with children households' share of taxes is 1,2%.

Table 15  
Total income tax through employment status and quintile

Quint	Description	At least one male employed and no females employed		At least one female employed and no males employed		Both employed		No one employed		Total
		With children	Without children	With children	Without children	With children	Without children	With children	Without children	
1	Mean tax per household (AR\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	vertical structure	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	horizontal structure	-	-	-	-	-	-	-	-	-
2	Mean tax per household (AR\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	vertical structure	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	horizontal structure	-	-	-	-	-	-	-	-	-
3	Mean tax per household (AR\$)	2.61	0.65	4.61	0.00	1.59	0.00	0.00	0.00	1.19
	vertical structure	0.05%	0.00%	0.31%	0.00%	0.02%	0.00%	0.00%	0.00%	0.02%
	horizontal structure	34.94%	6.66%	24.54%	0.00%	33.87%	0.00%	0.00%	0.00%	100.00%
4	Mean tax per household (AR\$)	497.34	37.60	126.18	3.90	212.23	42.39	9.57	0.24	127.76
	vertical structure	7.60%	0.39%	6.47%	0.10%	2.35%	0.31%	2.64%	0.07%	1.76%
	horizontal structure	42.29%	4.89%	4.44%	0.27%	42.78%	5.27%	0.03%	0.03%	100.00%
5	Mean tax per household (AR\$)	14,766.66	5,282.69	3,373.77	2,142.13	9,944.50	6,436.12	522.52	477.65	5,872.92
	vertical structure	92.35%	99.60%	93.22%	99.90%	97.63%	99.69%	97.36%	99.93%	98.23%
	horizontal structure	9.19%	22.31%	1.14%	4.85%	31.73%	29.95%	0.02%	0.81%	100.00%
Total	Mean tax per household (AR\$)	924.23	2,419.11	291.61	916.27	2,267.90	3,604.48	18.94	82.95	1,611.12
	vertical structure	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	horizontal structure	9.78%	22.00%	1.20%	4.77%	31.93%	29.51%	0.02%	0.79%	100.00%

Source: author's calculations, based on EPH

When considering post tax income, households with males and females employed with children concentrate the highest proportion of post tax income (30,44%); male breadwinner households without children, 15,11%, meanwhile male employed households with children have a 12,64% of total post tax household income.

Table 16  
Total post tax income by gender of employment status and quintile

Quint	Description	At least one male employed and no females employed		At least one female employed and no males employed		Both employed		No one employed		Total
		With children	Without children	With children	Without children	With children	Without children	With children	Without children	
1	Post tax mean income (AR\$)	19,742.27	9,718.48	14,150.48	8,850.52	22,872.13	9,875.84	8,555.39	7,662.69	16,502.30
	vertical structure	13.15%	0.59%	12.66%	1.07%	3.22%	0.12%	26.63%	1.48%	3.67%
	horizontal structure	45.33%	2.42%	14.46%	1.89%	26.71%	0.70%	4.97%	3.53%	100.00%
2	Post tax mean income (AR\$)	34,744.80	21,091.34	27,629.35	17,425.86	41,056.71	24,297.72	22,633.57	13,390.61	29,599.65
	vertical structure	23.34%	2.75%	16.35%	4.47%	8.94%	1.13%	19.75%	6.46%	8.01%
	horizontal structure	36.85%	5.19%	8.55%	3.62%	33.99%	3.07%	1.69%	7.04%	100.00%
3	Post tax mean income (AR\$)	50,222.01	31,953.22	40,454.75	26,010.11	58,227.98	41,867.38	35,893.51	17,506.01	38,677.27
	vertical structure	21.33%	8.71%	20.67%	8.82%	16.36%	4.82%	10.27%	17.53%	13.08%
	horizontal structure	20.62%	10.07%	6.62%	4.38%	38.09%	8.01%	0.54%	11.69%	100.00%
4	Post tax mean income (AR\$)	76,654.53	47,689.63	60,473.36	36,409.21	86,978.90	65,689.36	49,863.59	26,916.85	59,840.34
	vertical structure	23.81%	18.96%	23.46%	17.81%	26.59%	17.34%	12.17%	19.14%	21.63%
	horizontal structure	13.92%	13.24%	4.54%	5.35%	37.43%	17.42%	0.38%	7.71%	100.00%
5	Post tax mean income (AR\$)	144,475.87	95,563.56	128,449.77	75,414.76	165,805.76	138,496.17	188,751.25	110,415.07	121,939.71
	vertical structure	18.37%	68.99%	26.85%	67.83%	44.89%	76.59%	31.18%	55.38%	53.62%
	horizontal structure	4.33%	19.44%	2.10%	8.22%	25.48%	31.04%	0.40%	9.00%	100.00%
Total	Post tax mean income (AR\$)	45,451.47	63,177.75	38,540.83	47,511.60	82,244.33	100,950.99	21,363.72	34,596.03	61,277.82
	vertical structure	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	horizontal structure	12.64%	15.11%	4.19%	6.50%	30.44%	21.73%	0.68%	8.72%	100.00%

Source: author's calculations, based on EPH

In order to determine whether personal income tax helps reduce inequalities among different types of households, a comparison between pre tax income and post tax income should be performed. For instance, female employed households without children have a 6,45% of pre tax income, bear a 4,77% of personal income tax, and concentrate a 6,5% of post tax income. Households with both employed with children reduce their share of income, from an initial 30,48% to a 30,44% of post tax income, as male breadwinner households also do.

When evaluating the difference in pre tax incomes and post tax incomes between different household classifications, male breadwinner households with children have a pre tax annual mean income of AR\$ 46.375, while female employed households with children have a pre tax income of AR\$ 38.832, representing 83,7% of male's income. After the tax, both incomes are AR\$ 45.451 and AR\$ 38.540, now representing 84,8% of male households' income.

If we consider without children households, male employed have a pre tax annual mean income of AR\$ 65.596, while female majority ones have an income of AR\$ 48.427, representing 73,8% of male households' income. After PIT incidence, male households' average income goes to AR\$ 63.177 while female households' average income is AR\$ 47.511, which implies 75,2% of that of male households.

The comparison between households with at least one earner and both earners shows that, for male employed, its mean income represented 54,8% of pre tax income and 55,2% of post tax income of both employed households for those with children, while the proportion for the without children classification remains constant. When considering female employed households' mean income compared to that of both employed, in pre tax and post tax terms, proportions for both types of households, with and without children, rise: from 75% to 77,4% (with children) and from 53,5% to 54,5% (without children).

As for deductions as a percentage of pre tax income in order to derive a measure for the benefit for the households, in the forthcoming table and graph is evident that the benefit from deduction rises initially up to a peak in the third quintile, and then fall, meaning that the benefit from deductions is initially regressive, and then progressive from the third quintile on<sup>29</sup>.

The greater benefit from deductions is received by female employed without children (in this case the greater proportion of employees compensate with their deductions the presence of children), with a proportion of over 55% of pre tax income, while male employed households receive less benefit (51,27% for the ones with children, and 41,87% for the ones without children).

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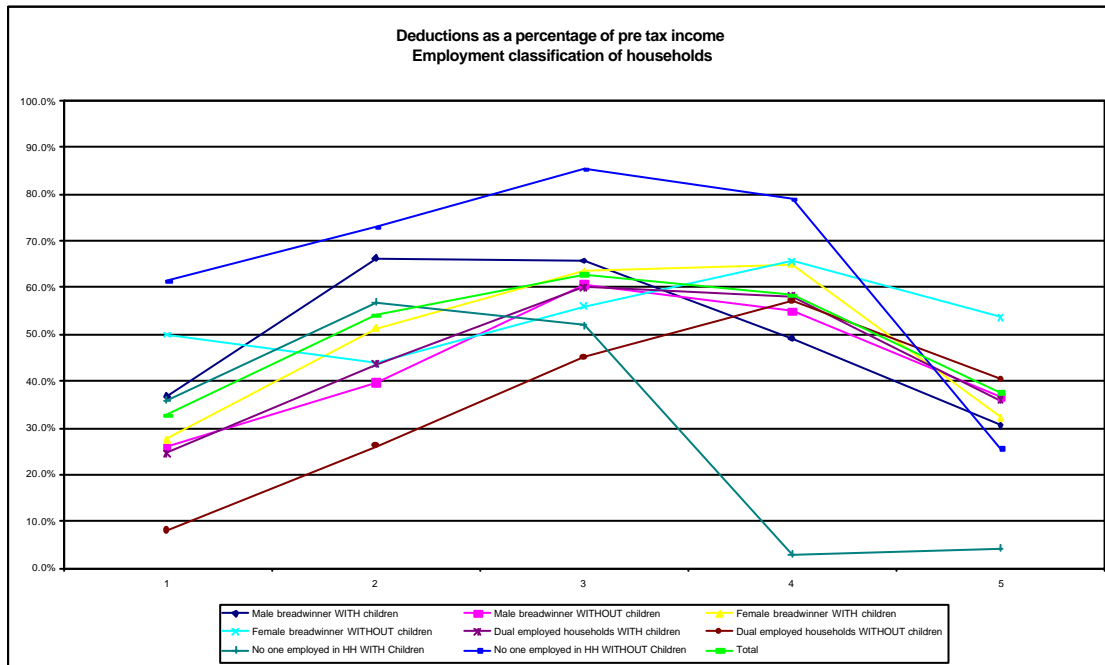
<sup>29</sup> These are effective deductions, i.e. those considered up to taxable income.

Table 17  
Deductions as a percentage of income by gender of employment status, presence of children, and quintile

Quint	Description	At least one male employed and no females employed		At least one female employed and no males employed		Both employed		No one employed		Total
		With children	Without children	With children	Without children	With children	Without children	With children	Without children	
1	Deductions	36.65%	25.89%	27.63%	49.85%	24.49%	8.16%	35.90%	61.27%	32.72%
	vertical structure	71.50%	61.83%	56.64%	89.93%	53.42%	18.90%	129.12%	123.26%	70.71%
2	horizontal structure	112.02%	79.11%	84.43%	152.35%	74.84%	24.93%	109.70%	187.26%	100.00%
	Deductions	66.35%	39.79%	51.34%	43.85%	43.56%	26.10%	56.89%	72.88%	54.19%
3	vertical structure	129.42%	95.05%	105.25%	79.10%	95.03%	60.49%	204.63%	146.62%	117.11%
	horizontal structure	122.44%	73.44%	94.74%	80.92%	80.39%	48.17%	104.98%	134.50%	100.00%
4	Deductions	65.75%	60.55%	63.41%	55.97%	59.94%	45.12%	52.00%	85.17%	62.97%
	vertical structure	128.25%	144.64%	130.00%	100.97%	130.77%	104.57%	187.05%	171.33%	136.09%
5	horizontal structure	104.40%	96.16%	100.69%	88.88%	95.18%	71.65%	82.58%	135.24%	100.00%
	Deductions	49.16%	54.99%	64.98%	65.52%	58.29%	56.94%	3.03%	78.85%	58.40%
Total	vertical structure	95.90%	131.34%	133.21%	118.18%	127.16%	131.96%	10.91%	158.63%	126.21%
	horizontal structure	84.18%	94.15%	111.26%	112.18%	99.80%	97.50%	5.19%	135.02%	100.00%
5	Deductions	30.60%	36.42%	32.18%	53.62%	35.88%	40.34%	4.22%	25.51%	37.47%
	vertical structure	59.70%	86.98%	65.97%	96.73%	78.28%	93.48%	15.19%	51.31%	80.97%
Total	horizontal structure	81.69%	97.20%	85.89%	143.12%	95.77%	107.67%	11.27%	68.08%	100.00%
	Deductions	51.27%	41.87%	48.78%	55.43%	45.84%	43.15%	27.80%	49.71%	46.27%
Total	vertical structure	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	horizontal structure	110.79%	90.48%	105.41%	119.80%	99.06%	93.25%	60.08%	107.43%	100.00%

Source: author's calculations, based on EPH

Graph 4



Considering the “tax burden”, or taxes as a percentage of pre tax income, Personal income tax has an average burden of 2,5% of pre tax income; male employed households without children

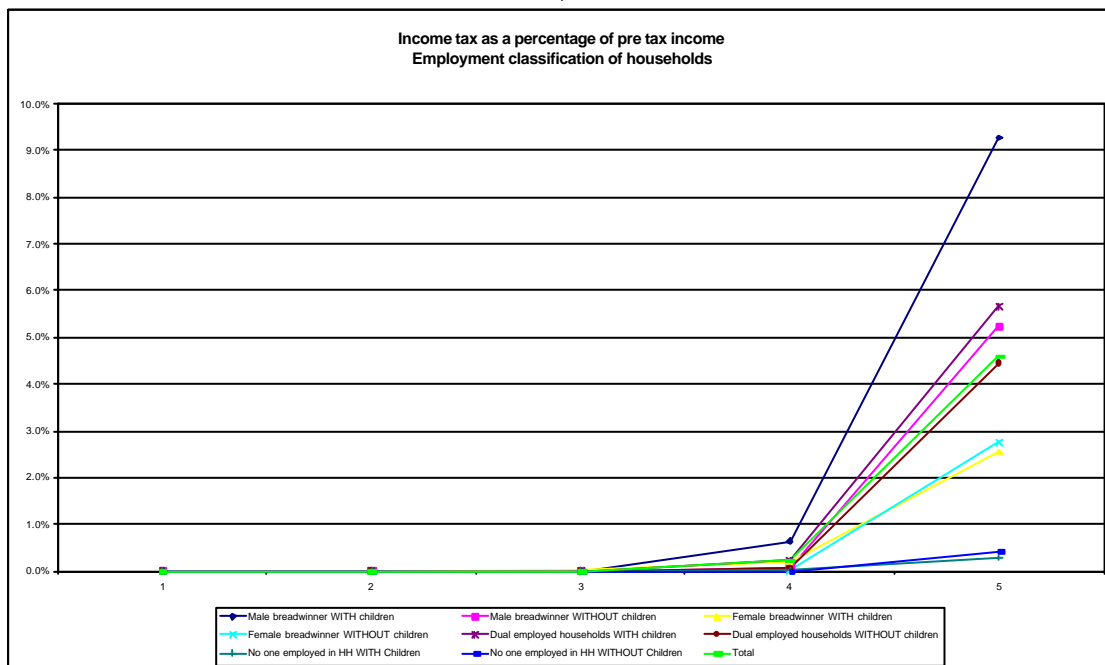
bear the greatest burden (43,9% greater than the mean), while both employed without children bear a burden that is 34,5% greater than the mean.

Table 18  
Income tax as a percentage of income by gender of employment status, presence of children, and quintile

Quint	Description	At least one male employed and no females employed		At least one female employed and no males employed		Both employed		No one employed		Total
		With children	Without children	With children	Without children	With children	Without children	With children	Without children	
1	Income tax	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	vertical structure	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	horizontal structure	-	-	-	-	-	-	-	-	-
2	Income tax	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	vertical structure	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	horizontal structure	-	-	-	-	-	-	-	-	-
3	Income tax	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	vertical structure	0.26%	0.06%	1.52%	0.00%	0.10%	0.00%	0.00%	0.00%	0.12%
	horizontal structure	169.47%	66.11%	370.82%	0.00%	88.93%	0.00%	0.00%	0.00%	100.00%
4	Income tax	0.64%	0.08%	0.21%	0.01%	0.24%	0.06%	0.02%	0.00%	0.21%
	vertical structure	32.35%	2.14%	27.73%	0.57%	9.07%	1.87%	21.67%	0.38%	8.32%
	horizontal structure	302.58%	36.98%	97.74%	5.02%	114.25%	30.27%	9.01%	0.42%	100.00%
5	Income tax	9.27%	5.24%	2.56%	2.76%	5.66%	4.44%	0.28%	0.43%	4.59%
	vertical structure	465.30%	142.04%	340.81%	145.98%	210.85%	128.81%	311.70%	180.09%	179.36%
	horizontal structure	201.81%	114.00%	55.70%	60.11%	123.14%	96.64%	6.01%	9.37%	100.00%
Total	Income tax	1.99%	3.69%	0.75%	1.89%	2.68%	3.45%	0.09%	0.24%	2.56%
	vertical structure	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	horizontal structure	77.79%	143.95%	29.31%	73.85%	104.75%	134.57%	3.46%	9.34%	100.00%

Source: author's calculations, based on EPH

Graph 5



### 5.3. Results for households classified by headship status

Male headed households with children concentrate the highest proportion of pre tax income (38,5%), followed by male headed households with children (35,2%). If we consider the lowest quintile, the greatest share is concentrated on female headed households with children, (12,4%), and their share decreases when considering higher income quintiles.

Table 19  
Total pre tax income through headship status and quintile

Quint	Description	Male headed household		Female headed household		Total
		With children	Without children	With children	Without children	
1	Mean income per household (AR\$)	19,546.82	9,492.93	15,829.06	7,708.46	16,502.30
	vertical structure	5.49%	0.48%	12.43%	0.80%	3.57%
	horizontal structure	59.21%	4.77%	32.23%	3.79%	100.00%
2	Mean income per household (AR\$)	36,860.18	18,507.79	32,558.80	15,075.82	29,599.65
	vertical structure	12.46%	2.67%	16.40%	3.18%	7.80%
	horizontal structure	61.55%	12.05%	19.47%	6.93%	100.00%
3	Mean income per household (AR\$)	54,953.86	29,205.95	47,336.87	21,150.30	38,678.46
	vertical structure	16.74%	7.56%	20.94%	9.97%	12.74%
	horizontal structure	50.62%	20.89%	15.22%	13.27%	100.00%
4	Mean income per household (AR\$)	83,334.38	51,585.68	73,928.88	35,510.59	59,968.10
	vertical structure	24.88%	17.46%	24.78%	18.16%	21.12%
	horizontal structure	45.41%	29.13%	10.87%	14.59%	100.00%
5	Mean income per household (AR\$)	174,600.01	118,431.24	144,202.72	105,485.00	127,812.63
	vertical structure	40.43%	71.83%	25.44%	67.89%	54.77%
	horizontal structure	28.45%	46.21%	4.30%	21.04%	100.00%
Total	Mean income per household (AR\$)	68,799.28	71,486.73	44,580.01	51,521.14	62,888.94
	vertical structure	100.00%	100.00%	100.00%	100.00%	100.00%
	horizontal structure	38.54%	35.23%	9.26%	16.97%	100.00%

Source: author's calculations, based on EPH

Table 20  
Total tax through headship status and quintile

Quint	Description	Male headed household		Female headed household		Total
		With children	Without children	With children	Without children	
1	Mean tax per household (AR\$)	0.00	0.00	0.00	0.00	0.00
	vertical structure	0.00%	0.00%	0.00%	0.00%	0.00%
	horizontal structure	-	-	-	-	-
2	Mean tax per household (AR\$)	0.00	0.00	0.00	0.00	0.00
	vertical structure	0.00%	0.00%	0.00%	0.00%	0.00%
	horizontal structure	-	-	-	-	-
3	Mean tax per household (AR\$)	3.11	0.29	0.00	0.00	1.19
	vertical structure	0.04%	0.00%	0.00%	0.00%	0.02%
	horizontal structure	93.34%	6.66%	0.00%	0.00%	100.00%
4	Mean tax per household (AR\$)	276.15	35.12	274.15	5.95	127.76
	vertical structure	3.23%	0.35%	7.29%	0.18%	1.76%
	horizontal structure	70.63%	9.31%	18.92%	1.15%	100.00%
5	Mean tax per household (AR\$)	10,654.19	5,515.67	6,627.48	2,552.44	5,872.92
	vertical structure	96.73%	99.64%	92.71%	99.82%	98.23%
	horizontal structure	37.79%	46.83%	4.30%	11.08%	100.00%
Total	Mean tax per household (AR\$)	2,399.95	562.30	847.98	1,611.12	1,754.84
	vertical structure	100.00%	100.00%	100.00%	100.00%	100.00%
	horizontal structure	38.37%	46.17%	4.56%	10.90%	100.00%

Source: author's calculations, based on EPH

The previous table showed the amount of tax borne by households. The first three quintiles only pay a 0,02% of total tax. The male headed households without children bear a 46,17% of income tax; male headed with children households' share of taxes is 38,37%.

When considering post tax income, male headed households with children concentrate the highest proportion of post tax income (38,5%); female headed households with children, 9,36%, meanwhile female headed households without children have a 17,1% of total post tax household income.

Table 21  
Total post tax income through headship status and quintile

Quint	Description	Male headed household		Female headed household		Total
		With children	Without children	With children	Without children	
1	Post tax mean income (AR\$)	19,546.82	9,492.93	15,829.06	7,708.46	16,502.30
	vertical structure	5.63%	0.50%	12.59%	0.81%	3.67%
	horizontal structure	59.21%	4.77%	32.23%	3.79%	100.00%
2	Post tax mean income (AR\$)	36,860.18	18,507.79	32,558.80	15,075.82	29,599.65
	vertical structure	12.79%	2.76%	16.61%	3.24%	8.01%
	horizontal structure	61.55%	12.05%	19.47%	6.93%	100.00%
3	Post tax mean income (AR\$)	54,950.74	29,205.67	47,336.87	21,150.30	38,677.27
	vertical structure	17.17%	7.82%	21.21%	10.13%	13.08%
	horizontal structure	50.62%	20.89%	15.22%	13.27%	100.00%
4	Post tax mean income (AR\$)	83,058.23	51,550.56	73,654.73	35,504.64	59,840.34
	vertical structure	25.45%	18.06%	25.01%	18.46%	21.63%
	horizontal structure	45.35%	29.18%	10.85%	14.62%	100.00%
5	Post tax mean income (AR\$)	163,945.82	112,915.57	137,575.24	102,932.55	121,939.71
	vertical structure	38.96%	70.86%	24.59%	67.36%	53.62%
	horizontal structure	28.00%	46.17%	4.30%	21.52%	100.00%
Total	Post tax mean income (AR\$)	67,044.44	69,086.78	44,017.71	50,673.16	61,277.82
	vertical structure	100.00%	100.00%	100.00%	100.00%	100.00%
	horizontal structure	38.54%	34.94%	9.38%	17.13%	100.00%

Source: author's calculations, based on EPH

Female headed households without children have a 16,97% of pre tax income, bear a 10,9% of personal income tax, and concentrate a 17,1% of post tax income, whereas female headed households with children also increase their income share, from an 9,26% to a 9,36% of post tax income, being male headed households without children the ones that reduce their share.

When evaluating the difference in pre tax incomes and post tax incomes between different household classifications, male headed households with children have a pre tax annual mean income of AR\$ 68.799, while female headed households with children have a pre tax income of AR\$ 44.580, representing 64,7% of male's income. After income tax, both incomes are AR\$ 67.044 and AR\$ 44.017, now representing 65,6% of male households' income.

For households without children, pre tax mean incomes are AR\$ 71.486 for male headed and AR\$ 51.521 for female headed; after income tax, these are AR\$ 69.086 for male headed and AR\$ 50.673 for female headed; before tax, female households' mean income represent 72% of male households' mean annual income meanwhile after the tax, it represents 73,3% of male households' income. In both cases, inequality among different types of households gets reduced.



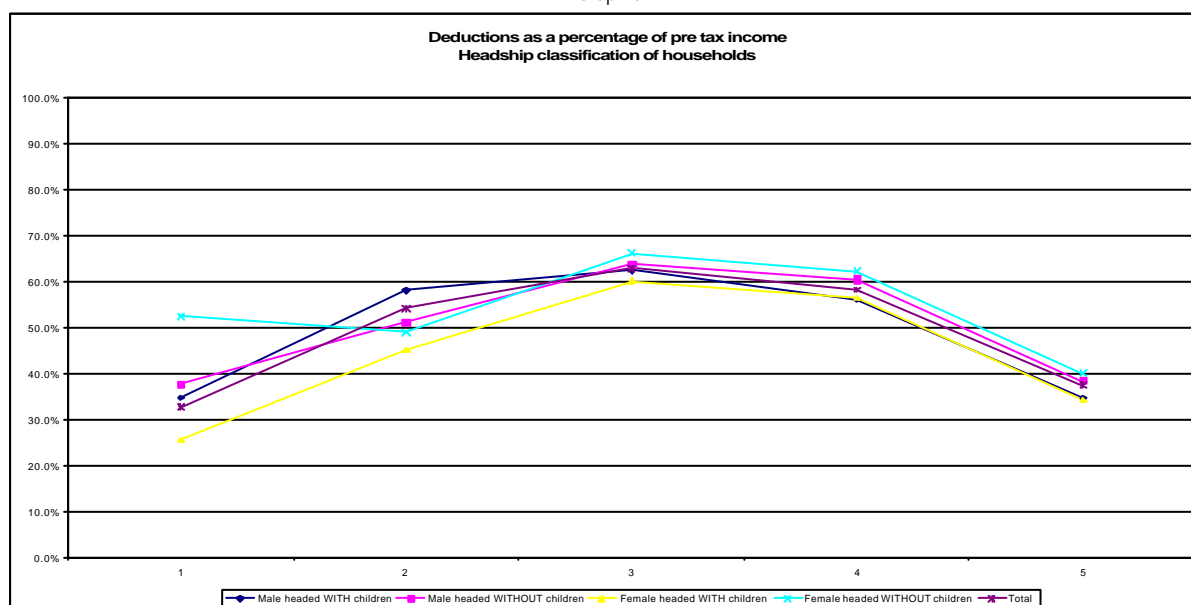
Deductions as a percentage of pre tax income rise initially up to a peak in the third quintile, and then fall, meaning that the benefit from deductions is initially regressive, and then progressive from the third quintile on<sup>30</sup>. This behaviour is consistent with the fact that almost the first three quintiles do not pay income tax.

Table 22  
Deductions as a percentage of income through headship status and quintile

Quint	Description	Male headed household		Female headed household		Total
		With children	Without children	With children	Without children	
1	Deductions	34.90%	37.63%	25.66%	52.50%	32.72%
	vertical structure	73.32%	84.58%	55.83%	111.46%	70.71%
	horizontal structure	106.66%	115.02%	78.42%	160.44%	100.00%
2	Deductions	58.14%	51.37%	45.27%	49.02%	54.19%
	vertical structure	122.14%	115.45%	98.50%	104.08%	117.11%
	horizontal structure	107.30%	94.80%	83.55%	90.47%	100.00%
3	Deductions	62.58%	63.75%	60.32%	66.28%	62.97%
	vertical structure	131.47%	143.26%	131.25%	140.72%	136.09%
	horizontal structure	99.38%	101.23%	95.79%	105.25%	100.00%
4	Deductions	56.19%	60.58%	56.53%	62.34%	58.40%
	vertical structure	118.03%	136.14%	123.00%	132.35%	126.21%
	horizontal structure	96.21%	103.73%	96.80%	106.74%	100.00%
5	Deductions	34.60%	38.35%	34.21%	40.06%	37.47%
	vertical structure	72.68%	86.19%	74.44%	85.05%	80.97%
	horizontal structure	92.35%	102.37%	91.32%	106.92%	100.00%
Total	Deductions	47.60%	44.50%	45.96%	47.10%	46.27%
	vertical structure	100.00%	100.00%	100.00%	100.00%	100.00%
	horizontal structure	102.88%	96.16%	99.33%	101.79%	100.00%

Source: author's calculations, based on EPH

Graph 6



<sup>30</sup> Effective deductions, i.e. those considered up to taxable income.

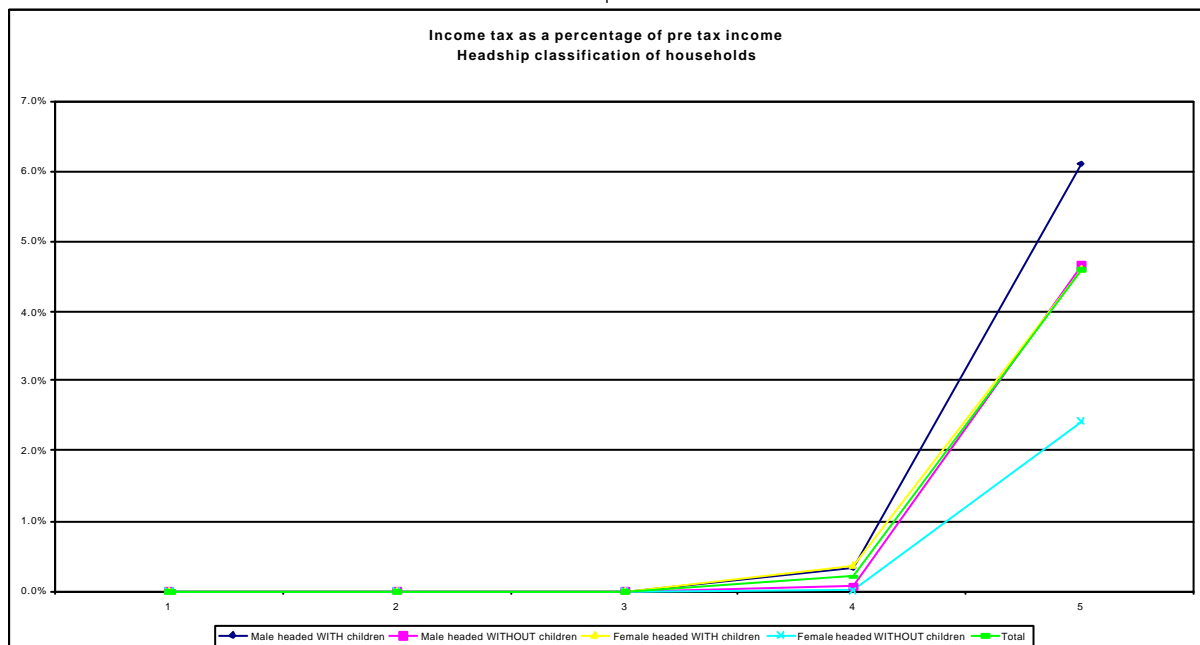
The greater benefit from deductions is received by male headed households with children, with a proportion of 47,6% of pre tax income, while female headed households without children receive less benefit (47,1%) .

Table 23  
Income tax as a percentage of income through headship status and quintile

Quint	Description	Male headed household		Female headed household		Total
		With children	Without children	With children	Without children	
1	Income tax	0.00%	0.00%	0.00%	0.00%	0.00%
	vertical structure	0.00%	0.00%	0.00%	0.00%	0.00%
	horizontal structure	-	-	-	-	-
2	Income tax	0.00%	0.00%	0.00%	0.00%	0.00%
	vertical structure	0.00%	0.00%	0.00%	0.00%	0.00%
	horizontal structure	-	-	-	-	-
3	Income tax	0.01%	0.00%	0.00%	0.00%	0.00%
	vertical structure	0.22%	0.03%	0.00%	0.00%	0.12%
	horizontal structure	184.40%	31.86%	0.00%	0.00%	100.00%
4	Income tax	0.33%	0.07%	0.37%	0.02%	0.21%
	vertical structure	12.99%	2.03%	29.40%	1.02%	8.32%
	horizontal structure	155.54%	31.95%	174.06%	7.86%	100.00%
5	Income tax	6.10%	4.66%	4.60%	2.42%	4.59%
	vertical structure	239.23%	138.73%	364.37%	147.02%	179.36%
	horizontal structure	132.80%	101.36%	100.02%	52.66%	100.00%
Total	Income tax	2.55%	3.36%	1.26%	1.65%	2.56%
	vertical structure	100.00%	100.00%	100.00%	100.00%	100.00%
	horizontal structure	99.56%	131.05%	49.24%	64.25%	100.00%

Source: author's calculations, based on EPH

Graph 7



Considering taxes as a percentage of pre tax income, male headed households without children bear the greatest burden, (31% greater than the mean), while the rest of the households bear a burden that is inferior than the mean.

## 6. Conclusions

A tax system satisfies “vertical equity” when sectors with higher taxing capacity pay a greater proportion of tax relatively to other sectors, while “horizontal equity” defines the fact that sectors with the same ability to pay should pay the same proportion of tax

Systems of taxation however also have important implications for class and gender equity, as long as gender analysis study the impact of taxes and tax policies on intrahousehold welfare. It is therefore also important to extend the usual distributive analysis at the intrahousehold level.

The choice of taxable unit has important implications for horizontal equity. Regarding the basic notion of horizontal equity, which says that those with equal income should pay equal taxes, it is not clear to which definition of tax unit this criterion should be applied.

If ability to pay is defined based on household income rather than that of the individuals, then the measure of horizontal equity should be based on household income. But, on the grounds of the differences in intrahousehold income allocation it is however somehow arbitrary to define the extent of a household, so perhaps in these cases the individual should be considered as a better taxable unit.

The choice of taxable unit also has implications on efficiency since it has an effect on the marginal tax rate of the unit and has therefore affects the decision to work and on the composition of the household.

Argentina has adopted the principle of individual filing: irrespective of his/her civil status, each individual taxpayer must file a personal tax return and pay taxes on the taxable income (with the exception of *monotributistas*).

It is however accepted that the applicable regime is not quite the individual taxation regime, but a rather hybrid regime, because it contains cases where the spouses are subject to a kind of joint taxation which actually generate heavier burden to the family.

From a gender perspective, female majority households with children's pre tax income represent 71,5% of male majority households with children's pre tax income. After the tax, that of females represents 73% of male households' income. Male majority households bear the greatest burden, especially the classification without children.

Female employed households with children's pre tax income represents 83,7% of male breadwinner households with children's pre tax income; after income tax, it represents 84,8% of male households' income. Male employed households without children bear the greatest burden (43,9% greater than the mean), while both employed without children bear a burden that is 34,5% greater than the mean).

The comparison between households with at least one earner and both earners shows that, for male employed, its mean income represented 54,8% of pre tax income and 55,2% of post tax income of both employed households for those with children. When considering female

employed households' mean income compared to that of both employed, in pre tax and post tax terms, proportions for households with children increase from 75% to 77,4%.

Female headed households with children's pre tax income represents 64,7% of male headed households with children's pre tax annual mean income. After income tax, the proportion increases to 65,6%. Male headed households without children bear the greatest burden, (31% greater than the mean), while the rest of the households bear a burden that is inferior than the mean.

Although the results of the study show the progressivity and redistributive effect of personal income tax, while it also helps ameliorate the differences between different households classified by gender, it is clear that the fact that a percentage of 98,23% of personal income tax is paid by the highest quintile, while the 60% of the lowest income population bears a 0,02% of personal income tax considerably reduces the redistributive power of the tax. An enhancement of the tax base, not only by means of extending the tax burden to those non taxed income sources, but also by finding a way to introduce progressivity in deductions should increase the share of personal income tax in the total revenues and improve its redistributive effect.

## **A. Methodological appendix**

In this section, methodological procedures employed for the calculation of income distribution, incidence of income tax and household classifications used in the study will be thoroughly explained.

### **I. Pre tax income distribution**

The determination of the economic incidence of taxes implies the necessity for having a comprehensive knowledge of pre tax income distribution. This section divides itself in three blocks.

Starting from an initial review on the data employed, the second issue will be to clarify the procedures for calculating pre tax income and the adjustments that were performed. Later on, the aim is to explain the methodology for income distribution, to conclude by introducing the final income distribution.

#### **a. Considerations on initial data**

The source used for this analysis is the Permanent Household Survey (EPH) (04-2008). The expanded amount of households is 7,4 millions and 24,4 millions of individuals; population on the survey represents approximately 67% of total national population. EPH only includes data on income, and neither on consumption nor on expenditures, therefore, the welfare indicator should be income.

#### **b. Adjustments operated on income data**

Household income is constituted by the sum of the individual incomes of its members. Individual income is defined as the sum of his or her earnings, heedless of their income source.

It is widespread known that household surveys tend to underestimate real income, since it is difficult to get the appropriate information on that matter. This is related to problems in the design of the survey, as well as explicit underreporting, among others.<sup>31</sup>

In this study, a tentative adjustment on income was carried out, considering different coefficient through income source and income quintile, that is similar to the ones employed in previous studies and which were obtained by comparison with other macroeconomic sources<sup>32 33</sup>, which are displayed in the next table. It can be seen that underreporting is greater for capital rents, while wage earners and retirees' underreporting is smaller than the former. Additionally, underreporting increases even more across income quintiles.

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<sup>31</sup> Felcman, D., Kidyba, S. and Ruffo, H. (2003), op. cit.

<sup>32</sup> This procedure was necessary because of the fact that there is no official data on disposable income

<sup>33</sup> Santiere, Gómez Sabaini and Rossignolo (2000), op. cit., based on Camelo, Heber: "Subdeclaración de ingresos medios en la encuesta de hogares", CEPAL-INDEC, Bs. As., 1998.

Table A.01.  
Coef cientes for underreporting adjustment that differ through income source and quintile used in this study

Income source	Average coefficient	1	2	3	4	5
Wages	1.180	1.101	1.135	1.157	1.168	1.236
Self employed	2.077	1.870	1.935	1.948	2.051	2.180
Employers	3.064	2.760	2.855	2.874	3.026	3.216
Retirees	1.311	1.240	1.264	1.299	1.311	1.395
Rents	5.635	4.969	5.135	5.149	5.429	5.768

Source Santiere, Gómez Sabaini and Rossignolo (2000), op cit

### c. Income distribution across quintiles

This section introduces the results of income distribution employed as a base for incidence calculations. The methodology used was as follows:

(a) Estimation of per capita income and ranking of the individuals according to per capita pre tax income. This was performed in annual terms, by annualizing every income source in order to be consistent with the base for income tax (salaries are, for instance, expressed net of social security contributions for those individuals working on the formal sector).

(b) Calculation of per capita income quintiles of individuals.

(c) Estimation of familiar income through summing up per capita incomes for every household, and computation of the Gini coefficient for pre tax income.

(d) Adjustment for underreporting, by multiplying every source for individual income by the coefficients that differ per source and per capita quintile.

(e) Recalculation of per capita and total familiar income, now adjusted for underreporting through coefficients that differ by source and quintile.

(f) Individuals are reordered and quintiles are generated, using the income previously defined.

(g) Reestimation of total familiar income adjusted by aggregating the households included in individual income quintiles and calculation of the new Gini coefficient.

Table A.02  
Basic data of per capita income distribution quintiles  
Based on familiar income corrected for underreporting

	Quintiles of persons based on per capita income					Total
	1	2	3	4	5	
Non expanded households	2,817	3,148	3,778	3,867	4,479	18,089
Percentages	15.57%	17.40%	20.89%	21.38%	24.76%	100.00%
Expanded households	1,007,622	1,226,748	1,533,477	1,639,280	1,994,527	7,401,654
Percentages	13.61%	16.57%	20.72%	22.15%	26.95%	100.00%
Non expanded persons	13,750	12,710	12,515	11,770	11,060	61,805
Percentages	22.25%	20.56%	20.25%	19.04%	17.89%	100.00%
Expanded persons	4,878,527	4,878,527	4,878,527	4,878,527	4,878,527	24,392,635
Percentages	20.00%	20.00%	20.00%	20.00%	20.00%	100.00%
Mean income per household (AR\$)	16,502.30	29,599.65	38,678.46	59,968.10	127,812.63	62,888.94
Total income per quintile (thousand AR\$)	16,628,080,531	36,311,305,304	59,312,521,138	98,304,505,329	254,925,741,476	465,482,153,778
% del ingreso total	3.57%	7.80%	12.74%	21.12%	54.77%	100.00%

Source: author's calculations, based on EPH

Consequently, the defined income distribution is that of households, grouped on individual per capita income quintiles with adjustment for underreporting, and ordered by this indicator. The following table displays the resulting income distribution. The first quintile concentrates 3,6% of total income, while the highest one has about 55% of total income; meanwhile, pre tax annual mean income is AR\$ 62.889 per household.

In terms of mean incomes, annualized results show that the lowest 20% has an average income of 16.502 annual pesos, while the second 20% has an income of about AR\$ 29.600. The highest quintile's income is 127.812 annual pesos per household

The importance of the adjustment for underreporting can be seen after evaluating the Gini coefficient before and after these calculations. Gini before adjustment is 0,4068, for household income distribution, and it increases to 0,4511 after the adjustment.

## **II. Incidence of personal income tax**

In the case of personal income tax, legal incidence coincides with economic incidence, that is, the one who is legally due to pay the tax is the same one that has to bear its burden through a reduction in its post tax income. Using the microdata from the household survey, the calculation was performed as exposed:

(a) Income from the household survey adjusted for underreporting was initially annualized, taking into account different income sources, and labor income (wages), self employed, employers and retirees' earnings were selected as taxable income.

(b) Individuals characterized as monotributistas were dropped from the tax base, including those self employed and employers whose annual income is less than AR\$ 36.000 (professionals), and those whose income is less than AR\$ 144.000 (non professionals), differenced by their educational level

(c) This so constituted income receives the deductions, non taxable income for every income source (AR\$ 43.200 for wages and retirements, AR\$ 9.000 for self employed and employers)<sup>34</sup>. Should there exist individuals with more than one income source, the deductions that were applied were those corresponding to the highest income source.

(d) Additionally, deductions per children and family allowances are calculated, subtracting them from income previously calculated. In all cases, deductions are considered if the corresponding relative has an income that is inferior to the non taxable income. Deductions are only applied to the head of the family, and deductions for children are considered, according to the law, for children under 24 years of age.

(e) Tax base is calculated by subtracting to the taxable income the non taxable income, familiar deductions, special allowances up to the amount in which they compensate taxable income, dropping individuals with negative tax base and monotributistas.

(f) Tax burden was calculated in accordance with legislation. Deductions, tax base, taxable income and actual tax were expressed in per capita and household terms.

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<sup>34</sup> The scale that reduces the amount of applicable deductions was not used because it was no longer valid at the moment the analysis was performed

### III. Household classification

Given the fact of the importance of gender equity analysis, households included in the above mentioned quintiles were classified according to different features: according to the amount of adult males and females in the household, the amount of males and females employed in the household, and gender of the household head<sup>35</sup>.

The classifications are therefore the following:

*Demographic classification (type 1 households):* households are classified in accordance with the amount of adult males and females that compose them :

- Male majority households: (greater amount of adult males than females in the household) with children and without children<sup>36</sup>
- Female majority households (greater amount of adult females than males in the household): with children and without children
- Equally majority households (equal amount of adult males and adult females in the household): with children and without children

*Classification through employment status (type 2 households):* employment status is correlated with perception of labor income in the household; these are classified in accordance with the amount of males and females employed and unemployed in the household; insctives are considered as unemployed heedless of the fact that they are income earners At least one employed male in HH and no employed females: with and without children

- At least one employed female in HH and no employed males: with and without children
- At least one employed male and one employed female: with and without children
- No one employed in HH: with and without children.

*Classification in accordance with gender of household headship (type 3 households):* Household head is the one recognized as such by the other members of the household; the classification is as follows:

- Male headed households: with children and without children
- Female headed households: with children and without children

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<sup>35</sup> See C. Grown, and I. Valodia (op. cit.), for a discussion regarding these household classifications.

<sup>36</sup> Children are under 18 years of age



## B. Statistical appendix

### B.1. Results for demographic classification of households

Table B.01 - Incidence by sex composition, presence of children, and quintile  
Means of pre-tax income, deductions, total income tax and post-tax income (standard errors in italics)

Quintile	Household income	Total deductions	Total income tax	Net Household income	# of HHS
<b>Male majority</b>					
1	17,575.07	4,798.46	0.00	17,575.07	146,601
	<i>11,590.47</i>	<i>8,400.72</i>	<i>0.00</i>	<i>11,590.47</i>	433
2	33,241.96	17,640.71	0.00	33,241.96	212,496
	<i>17,413.77</i>	<i>17,076.91</i>	<i>0.00</i>	<i>17,413.77</i>	593
3	42,233.27	25,095.52	1.50	42,231.76	273,044
	<i>24,565.62</i>	<i>22,289.59</i>	<i>36.83</i>	<i>24,562.27</i>	756
4	65,297.01	34,473.95	148.14	65,148.87	364,999
	<i>35,538.32</i>	<i>30,988.31</i>	<i>1,440.57</i>	<i>35,228.03</i>	859
5	124,613.66	43,197.16	6,889.13	117,724.53	549,430
	<i>122,531.98</i>	<i>37,212.09</i>	<i>18,586.62</i>	<i>113,883.74</i>	1264
<b>Total</b>	73,369.89	30,791.36	2,482.64	70,887.25	1,546,570
	<i>86,172.62</i>	<i>31,683.66</i>	<i>11,569.65</i>	<i>80,342.66</i>	3905
<b>Female majority</b>					
1	15,449.18	5,275.67	0.00	15,449.18	378,145
	<i>10,012.49</i>	<i>8,430.94</i>	<i>0.00</i>	<i>10,012.49</i>	1119
2	28,083.04	13,357.01	0.00	28,083.04	383,762
	<i>16,464.14</i>	<i>14,763.11</i>	<i>0.00</i>	<i>16,464.14</i>	1039
3	34,674.15	22,126.56	1.38	34,672.77	556,242
	<i>23,600.65</i>	<i>20,115.66</i>	<i>40.94</i>	<i>23,596.45</i>	1346
4	50,138.55	31,323.12	48.02	50,090.53	519,265
	<i>33,586.78</i>	<i>28,399.55</i>	<i>448.55</i>	<i>33,490.26</i>	1206
5	117,707.50	44,832.18	3,694.73	114,012.78	547,618
	<i>205,129.96</i>	<i>37,197.78</i>	<i>10,820.75</i>	<i>203,274.21</i>	1231
<b>Total</b>	52,997.36	25,259.41	859.11	52,138.25	2,385,032
	<i>107,028.59</i>	<i>28,600.59</i>	<i>5,413.72</i>	<i>105,699.66</i>	5941
<b>Equal # Females Males</b>					
1	17,001.32	5,679.54	0.00	17,001.32	482,876
	<i>9,332.03</i>	<i>9,343.87</i>	<i>0.00</i>	<i>9,332.03</i>	1265
2	29,295.18	17,133.26	0.00	29,295.18	630,490
	<i>12,534.26</i>	<i>15,061.99</i>	<i>0.00</i>	<i>12,534.26</i>	1516
3	40,463.12	25,833.42	0.91	40,462.20	704,191
	<i>16,796.17</i>	<i>19,833.35</i>	<i>28.90</i>	<i>16,792.98</i>	1658
4	64,152.24	37,832.40	172.75	63,979.49	755,016
	<i>25,854.59</i>	<i>28,906.80</i>	<i>1,010.31</i>	<i>25,558.44</i>	1820
5	135,936.89	52,620.09	6,579.87	129,357.02	897,479
	<i>176,805.93</i>	<i>34,705.13</i>	<i>15,573.67</i>	<i>173,012.13</i>	1984
<b>Total</b>	65,016.34	30,986.86	1,739.56	63,276.78	3,470,052
	<i>101,496.07</i>	<i>29,780.96</i>	<i>8,432.46</i>	<i>98,599.42</i>	8243
<b>Total</b>					
1	16,502.30	5,399.78	0.00	16,502.30	1,007,622
	<i>9,976.38</i>	<i>8,878.39</i>	<i>0.00</i>	<i>9,976.38</i>	2817
2	29,599.65	16,039.84	0.00	29,599.65	1,226,748
	<i>14,865.48</i>	<i>15,441.83</i>	<i>0.00</i>	<i>14,865.48</i>	3148
3	38,678.46	24,357.43	1.19	38,677.27	1,533,477
	<i>21,173.48</i>	<i>20,458.59</i>	<i>35.11</i>	<i>21,169.95</i>	3760
4	59,968.10	35,022.71	127.76	59,840.34	1,639,280
	<i>31,478.18</i>	<i>29,355.45</i>	<i>999.19</i>	<i>31,244.44</i>	3885
5	127,812.63	47,886.11	5,872.92	121,939.71	1,994,527
	<i>172,634.43</i>	<i>36,351.52</i>	<i>15,432.32</i>	<i>168,585.65</i>	4479
<b>Total</b>	62,888.94	29,100.46	1,611.12	61,277.82	7,401,654
	<i>100,637.34</i>	<i>29,934.22</i>	<i>8,431.45</i>	<i>97,743.31</i>	18089

Source: author's calculations, based on EPH

Table B.02 - Incidence by sex composition, presence of children, and quintile  
Means of pre-tax income, deductions, total income tax and post-tax income (standard errors in italics)

Quintile	HH income	Total deductions	Total income tax	Net HH income	# of HHs	Quintile	HH income	Total deductions	Total income tax	Net HH income	# of HHs
<b>Male majority WITH children</b>						<b>Male majority WITHOUT children</b>					
1	21,661.03 <i>11,281.22</i>	5,805.67 <i>9,386.60</i>	0.00 <i>0.00</i>	21,661.03 <i>11,281.22</i>	101,375 <i>313</i>	1	8,416.30 <i>5,388.47</i>	2,540.78 <i>4,919.11</i>	0.00 <i>0.00</i>	8,416.30 <i>5,388.47</i>	45,226 <i>120</i>
2	42,714.17 <i>14,142.63</i>	23,097.93 <i>18,331.89</i>	0.00 <i>0.00</i>	42,714.17 <i>14,142.63</i>	129,878 <i>347</i>	2	18,351.35 <i>10,136.31</i>	9,061.81 <i>10,100.58</i>	0.00 <i>0.00</i>	18,351.35 <i>10,136.31</i>	82,618 <i>246</i>
3	61,994.33 <i>20,372.48</i>	37,448.90 <i>25,192.42</i>	2.79 <i>48.59</i>	61,991.54 <i>20,366.31</i>	103,623 <i>299</i>	3	30,146.81 <i>18,278.12</i>	17,539.82 <i>16,214.53</i>	0.72 <i>27.26</i>	30,146.09 <i>18,276.45</i>	169,421 <i>457</i>
4	95,319.43 <i>32,162.56</i>	50,547.81 <i>33,609.03</i>	383.52 <i>2,476.60</i>	94,935.91 <i>31,513.80</i>	114,383 <i>254</i>	4	51,594.55 <i>27,733.21</i>	27,137.72 <i>26,699.20</i>	40.71 <i>440.44</i>	51,553.84 <i>27,664.41</i>	250,616 <i>605</i>
5	200,731.95 <i>141,060.13</i>	58,272.61 <i>38,882.34</i>	18,627.31 <i>35,416.18</i>	182,104.64 <i>115,450.16</i>	63,556 <i>162</i>	5	114,656.81 <i>116,331.92</i>	41,225.17 <i>36,547.11</i>	5,353.69 <i>14,390.61</i>	109,303.13 <i>110,994.43</i>	485,874 <i>1,102</i>
<b>Total</b>	<b>73,765.78</b> <i>75,857.91</i>	<b>33,061.46</b> <i>31,476.93</i>	<b>2,394.69</b> <i>13,903.17</i>	<b>71,371.09</b> <i>66,200.17</i>	<b>512,815</b> <i>1,375</i>	<b>Total</b>	<b>73,173.50</b> <i>90,869.03</i>	<b>29,665.23</b> <i>31,731.34</i>	<b>2,526.27</b> <i>10,218.80</i>	<b>70,647.23</b> <i>86,515.50</i>	<b>1,033,755</b> <i>2,530</i>
<b>Female majority WITH children</b>						<b>Female majority WITHOUT children</b>					
1	16,861.35 <i>10,074.21</i>	5,501.25 <i>8,895.31</i>	0.00 <i>0.00</i>	16,861.35 <i>10,074.21</i>	318,423 <i>929</i>	1	7,919.79 <i>5,144.97</i>	4,072.90 <i>5,163.07</i>	0.00 <i>0.00</i>	7,919.79 <i>5,144.97</i>	59,722 <i>190</i>
2	36,261.90 <i>15,531.71</i>	17,215.44 <i>17,115.04</i>	0.00 <i>0.00</i>	36,261.90 <i>15,531.71</i>	226,775 <i>631</i>	2	16,268.29 <i>8,834.66</i>	7,783.34 <i>7,574.40</i>	0.00 <i>0.00</i>	16,268.29 <i>8,834.66</i>	156,987 <i>408</i>
3	54,672.51 <i>20,660.46</i>	33,023.18 <i>24,460.58</i>	3.47 <i>64.86</i>	54,669.04 <i>20,651.76</i>	221,461 <i>571</i>	3	21,445.04 <i>14,268.02</i>	14,918.33 <i>12,099.48</i>	0.00 <i>0.00</i>	21,445.04 <i>14,268.02</i>	334,781 <i>775</i>
4	79,791.24 <i>30,175.00</i>	48,233.62 <i>33,449.15</i>	120.39 <i>651.74</i>	79,670.85 <i>30,040.72</i>	152,051 <i>416</i>	4	37,860.37 <i>26,529.00</i>	24,321.05 <i>22,596.32</i>	18.05 <i>325.40</i>	37,842.31 <i>26,466.69</i>	367,214 <i>790</i>
5	170,475.06 <i>95,688.98</i>	57,170.69 <i>46,419.75</i>	6,726.17 <i>10,701.39</i>	163,748.89 <i>93,670.86</i>	90,526 <i>236</i>	5	107,257.01 <i>218,980.99</i>	42,388.56 <i>34,590.44</i>	3,094.35 <i>10,747.81</i>	104,162.65 <i>217,241.21</i>	457,092 <i>995</i>
<b>Total</b>	<b>52,777.47</b> <i>54,377.55</i>	<b>25,245.34</b> <i>30,074.22</i>	<b>622.22</b> <i>3,737.84</i>	<b>52,155.25</b> <i>52,745.62</i>	<b>1,009,236</b> <i>2,783</i>	<b>Total</b>	<b>53,158.65</b> <i>133,011.58</i>	<b>25,269.74</b> <i>27,473.70</i>	<b>1,032.88</b> <i>6,363.61</i>	<b>52,125.77</b> <i>131,644.30</i>	<b>1,375,796</b> <i>3,158</i>
<b>Equal # Females Males WITH children</b>						<b>Equal # Females Males WITHOUT children</b>					
1	18,086.94 <i>9,251.23</i>	5,846.25 <i>9,698.35</i>	0.00 <i>0.00</i>	18,086.94 <i>9,251.23</i>	422,643 <i>1,120</i>	1	9,383.76 <i>5,614.97</i>	4,509.75 <i>6,218.81</i>	0.00 <i>0.00</i>	9,383.76 <i>5,614.97</i>	60,233 <i>145</i>
2	33,446.00 <i>11,536.81</i>	19,834.41 <i>15,971.16</i>	0.00 <i>0.00</i>	33,446.00 <i>11,536.81</i>	468,503 <i>1,149</i>	2	17,290.09 <i>5,711.09</i>	9,320.92 <i>7,959.75</i>	0.00 <i>0.00</i>	17,290.09 <i>5,711.09</i>	161,987 <i>367</i>
3	49,803.80 <i>14,624.05</i>	31,635.96 <i>22,219.81</i>	1.56 <i>37.77</i>	49,802.24 <i>14,618.79</i>	412,217 <i>1,011</i>	3	27,275.68 <i>9,021.78</i>	17,641.23 <i>11,719.88</i>	0.00 <i>0.00</i>	27,275.68 <i>9,021.78</i>	291,974 <i>647</i>
4	77,953.96 <i>21,657.73</i>	43,382.42 <i>31,668.11</i>	302.06 <i>1,333.00</i>	77,651.90 <i>21,234.33</i>	415,015 <i>1,013</i>	4	47,305.46 <i>19,893.92</i>	31,057.88 <i>23,426.67</i>	14.90 <i>231.02</i>	47,290.56 <i>19,843.08</i>	340,001 <i>807</i>
5	163,931.96 <i>254,257.04</i>	59,185.27 <i>35,280.41</i>	9,298.47 <i>17,264.30</i>	154,633.48 <i>251,517.76</i>	337,404 <i>769</i>	5	119,071.93 <i>102,102.68</i>	48,665.04 <i>33,756.84</i>	4,942.12 <i>14,218.42</i>	114,129.81 <i>96,290.14</i>	560,075 <i>1,215</i>
<b>Total</b>	<b>63,969.43</b> <i>114,669.42</i>	<b>30,537.26</b> <i>30,040.77</i>	<b>1,587.40</b> <i>7,804.77</i>	<b>62,382.03</b> <i>112,352.45</i>	<b>2,055,782</b> <i>5,062</i>	<b>Total</b>	<b>66,538.13</b> <i>78,491.31</i>	<b>31,640.40</b> <i>29,391.49</i>	<b>1,960.75</b> <i>9,266.18</i>	<b>64,577.39</b> <i>74,190.48</i>	<b>1,414,270</b> <i>3,181</i>

Source: author's calculations, based on EPH

Table B.03- Incidence by sex composition, presence of children, and quintile  
 Significance tests for pre-tax income, deductions, total income tax and post-tax income (standard errors in italics)

Quintile	Net HH income	Total income tax	Total deductions	HH income	Quintile	Net HH income	Total income tax	Total deductions	HH income
<b>Male majority</b>					<b>Male majority vs total</b>				
1					1	1.82486	-	-1.37603	1.82486
2	17.28415	-	15.87090	17.28415	2	4.77616	-	2.12504	4.77616
3	7.85627	1.12355	6.95482	7.85693	3	3.71144	0.21728	0.84195	3.71125
4	15.30277	2.98226	7.03917	15.31293	4	4.07626	0.39425	-0.47411	4.05697
5	15.36709	12.83765	5.86333	16.23529	5	-1.03439	1.77851	-3.97633	-0.74310
<b>Total</b>	-13.56965	-7.94527	-10.66698	-13.80445	<b>Total</b>	6.50662	4.45861	3.05372	6.68040
<b>Female majority</b>					<b>Female majority vs male majority</b>				
1					1	-3.36200	-	1.00270	-3.36200
2	21.34043	-	15.45865	21.34043	2	-5.87053	-	-5.11438	-5.87053
3	8.02339	1.23789	12.27509	8.02420	3	-6.86703	-0.07083	-3.03367	-6.86611
4	13.30067	3.59749	9.34063	13.31361	4	-9.77169	-1.97010	-2.35723	-9.77321
5	10.88339	11.81385	10.08927	11.40210	5	-0.56067	-5.26278	1.09747	-1.01759
<b>Total</b>	-10.39254	-8.96477	-17.42498	-10.76853	<b>Total</b>	-9.97406	-8.19887	-8.80469	-10.41023
<b>Equal # Females Males</b>					<b>Equal # Females Males vs male majority</b>				
1					1	-0.93185	-	1.82923	-0.93185
2	27.98116	-	22.98315	27.98116	2	-5.03275	-	-0.63362	-5.03275
3	21.34440	1.28644	13.98717	21.34363	3	-1.79847	-0.39032	0.78023	-1.79881
4	32.33380	7.25257	14.37881	32.31358	4	-0.87072	0.45096	2.67436	-0.84449
5	16.63479	18.28309	14.32124	17.87730	5	2.31047	-0.49171	7.22153	2.15400
<b>Total</b>	-16.38407	-13.37972	-25.58981	-17.19776	<b>Total</b>	-4.52204	-3.58743	0.32374	-4.70571
<b>Total</b>					<b>Total vs equal # females males</b>				
1					1	-1.54610	-	-0.89824	-1.54610
2	40.31785	-	33.03654	40.31785	2	0.73024	-	-2.30312	0.73024
3	20.85895	2.07562	19.23102	20.85949	3	-3.31866	0.30174	-2.49999	-3.31755
4	34.76974	7.89054	18.47842	34.79905	4	-5.29879	-1.57309	-3.40491	-5.30387
5	24.17820	24.85504	17.89276	25.81131	5	-1.60217	-1.68793	-4.98421	-1.71618
<b>Total</b>	-23.13795	-17.83480	-32.00302	-24.17256	<b>Total</b>	-1.52974	-1.14624	-4.75886	-1.58146

Source: author's calculations, based on EPH

## B.2. Results for households classified by employment status

Table B.04 - Incidence by gender of employment status, presence of children, and quintile  
Means of pre-tax income, deductions, total income tax and post-tax income (standard errors in italics)

Quintile	Household income	Total deductions	Total income tax	Net Household income	# of HHS
<b>Male Breadwinner</b>					
1	18,763.02 <i>9,135.59</i>	6,775.31 <i>10,281.03</i>	0.00 <i>0.00</i>	18,763.02 <i>9,135.59</i>	423,103 1057
2	32,174.94 <i>11,551.50</i>	20,292.95 <i>16,610.10</i>	0.00 <i>0.00</i>	32,174.94 <i>11,551.50</i>	474,412 1207
3	42,290.67 <i>17,511.94</i>	27,084.02 <i>21,609.20</i>	1.76 <i>35.89</i>	42,288.91 <i>17,507.19</i>	430,351 1066
4	59,360.47 <i>26,499.29</i>	30,864.23 <i>29,281.93</i>	219.37 <i>1,071.04</i>	59,141.11 <i>26,164.60</i>	450,484 1099
5	108,346.81 <i>88,585.92</i>	38,267.81 <i>33,021.64</i>	6,500.83 <i>16,318.78</i>	101,845.98 <i>79,034.81</i>	567,616 1353
<b>Total</b>	55,262.11 <i>56,522.25</i>	25,479.81 <i>26,509.92</i>	1,615.35 <i>8,499.60</i>	53,646.76 <i>51,424.50</i>	2,345,966 5782
<b>Female Breadwinner</b>					
1	13,234.48 <i>7,334.47</i>	3,996.24 <i>7,015.35</i>	0.00 <i>0.00</i>	13,234.48 <i>7,334.47</i>	205,369 615
2	23,526.72 <i>10,647.83</i>	11,553.72 <i>12,938.04</i>	0.00 <i>0.00</i>	23,526.72 <i>10,647.83</i>	187,830 476
3	33,125.98 <i>15,710.23</i>	20,022.69 <i>17,227.46</i>	2.27 <i>61.56</i>	33,123.71 <i>15,697.55</i>	196,961 506
4	44,590.88 <i>21,439.50</i>	29,103.54 <i>23,731.81</i>	45.24 <i>507.39</i>	44,545.64 <i>21,352.79</i>	217,814 553
5	84,624.75 <i>80,051.26</i>	41,694.11 <i>29,785.51</i>	2,302.54 <i>7,886.35</i>	82,322.21 <i>77,967.48</i>	304,684 706
<b>Total</b>	44,180.54 <i>51,322.66</i>	23,346.99 <i>25,214.76</i>	639.77 <i>4,255.24</i>	43,540.76 <i>49,931.69</i>	1,112,658 2856
<b>Dual Employed</b>					
1	22,131.73 <i>11,114.91</i>	5,327.63 <i>9,254.83</i>	0.00 <i>0.00</i>	22,131.73 <i>11,114.91</i>	205,951 597
2	38,836.05 <i>15,918.79</i>	16,354.90 <i>17,044.88</i>	0.00 <i>0.00</i>	38,836.05 <i>15,918.79</i>	346,574 898
3	54,528.48 <i>18,392.97</i>	31,281.83 <i>23,998.79</i>	1.23 <i>34.31</i>	54,527.25 <i>18,389.74</i>	501,362 1256
4	79,008.65 <i>28,715.95</i>	45,715.12 <i>32,051.93</i>	147.47 <i>1,243.08</i>	78,861.18 <i>28,410.79</i>	682,283 1597
5	157,469.34 <i>179,308.91</i>	60,334.99 <i>37,957.63</i>	7,863.36 <i>17,774.70</i>	149,605.98 <i>174,580.59</i>	918,788 1891
<b>Total</b>	91,882.18 <i>118,239.62</i>	41,083.38 <i>35,305.59</i>	2,759.37 <i>11,112.35</i>	89,122.81 <i>114,258.57</i>	2,654,958 6239
<b>None Employed</b>					
1	8,160.48 <i>5,695.35</i>	3,789.57 <i>5,569.31</i>	0.00 <i>0.00</i>	8,160.48 <i>5,695.35</i>	173,199 548
2	14,539.13 <i>6,678.46</i>	10,146.78 <i>6,687.19</i>	0.00 <i>0.00</i>	14,539.13 <i>6,678.46</i>	217,932 567
3	17,909.09 <i>7,893.72</i>	14,991.78 <i>8,260.66</i>	0.00 <i>0.00</i>	17,909.09 <i>7,893.72</i>	404,803 932
4	27,519.26 <i>12,164.25</i>	20,707.98 <i>13,281.20</i>	0.49 <i>16.65</i>	27,518.78 <i>12,162.61</i>	288,699 636
5	112,867.29 <i>328,156.63</i>	27,773.07 <i>25,754.08</i>	478.79 <i>2,368.36</i>	112,388.50 <i>328,139.07</i>	203,439 529
<b>Total</b>	33,179.80 <i>135,176.14</i>	15,965.62 <i>15,174.46</i>	75.73 <i>956.58</i>	33,104.07 <i>135,124.90</i>	1,288,072 3212
<b>Total</b>					
1	16,502.30 <i>9,976.38</i>	5,399.78 <i>8,878.39</i>	0.00 <i>0.00</i>	16,502.30 <i>9,976.38</i>	1,007,622 2817
2	29,599.65 <i>14,865.48</i>	16,039.84 <i>15,441.83</i>	0.00 <i>0.00</i>	29,599.65 <i>14,865.48</i>	1,226,748 3148

3	38,678.46	24,357.43	1.19	38,677.27	1,533,477
	21,173.48	20,458.59	35.11	21,169.95	3760
4	59,968.10	35,022.71	127.76	59,840.34	1,639,280
	31,478.18	29,355.45	999.19	31,244.44	3885
5	127,812.63	47,886.11	5,872.92	121,939.71	1,994,527
	172,634.43	36,351.52	15,432.32	168,585.65	4479
<b>Total</b>	62,888.94	29,100.46	1,611.12	61,277.82	7,401,654
	100,637.34	29,934.22	8,431.45	97,743.31	18089

Source: author's calculations, based on EPH

Table B.05 - Incidence by gender of employment status, presence of children, and quintile  
Means of pre-tax income, deductions, total income tax and posttax income (standard errors in italics)

Quintile	HH income	Total deductions	Total income tax	Net HH income	# of HHS	Quintile	HH income	Total deductions	Total income tax	Net HH income	# of HHS
<b>Male Breadwinner WITH children</b>						<b>Male Breadwinner WITHOUT children</b>					
1	19,742.27 <i>8,862.38</i>	7,236.50 <i>10,578.04</i>	0.00 <i>0.00</i>	19,742.27 <i>8,862.38</i>	381,769 961	1	9,718.48 <i>6,209.90</i>	2,515.66 <i>5,359.17</i>	0.00 <i>0.00</i>	9,718.48 <i>6,209.90</i>	41,334 96
2	34,744.80 <i>10,708.96</i>	23,052.03 <i>16,477.58</i>	0.00 <i>0.00</i>	34,744.80 <i>10,708.96</i>	385,118 969	2	21,091.34 <i>7,949.05</i>	8,393.22 <i>10,994.19</i>	0.00 <i>0.00</i>	21,091.34 <i>7,949.05</i>	89,294 238
3	50,224.63 <i>16,140.32</i>	33,020.78 <i>23,096.24</i>	2.61 <i>41.96</i>	50,222.01 <i>16,133.43</i>	243,474 625	3	31,953.87 <i>13,350.23</i>	19,349.28 <i>16,592.99</i>	0.65 <i>25.96</i>	31,953.22 <i>13,348.24</i>	186,877 441
4	77,151.87 <i>22,627.20</i>	37,930.35 <i>33,984.02</i>	497.34 <i>1,575.30</i>	76,654.53 <i>22,111.29</i>	178,102 427	4	47,727.24 <i>22,016.75</i>	26,243.92 <i>24,704.43</i>	37.60 <i>439.72</i>	47,689.63 <i>21,938.03</i>	272,382 672
5	159,242.53 <i>111,253.20</i>	48,735.27 <i>31,810.64</i>	14,766.66 <i>23,452.25</i>	144,475.87 <i>94,254.97</i>	72,906 208	5	100,846.25 <i>82,157.82</i>	36,725.21 <i>32,927.37</i>	5,282.69 <i>14,604.44</i>	95,563.56 <i>74,541.08</i>	494,710 1,145
<b>Total</b>	46,375.70 <i>44,972.56</i>	23,774.72 <i>24,582.02</i>	924.23 <i>6,617.01</i>	45,451.47 <i>40,410.04</i>	1,261,369 3,190	<b>Total</b>	65,596.87 <i>66,035.09</i>	27,462.81 <i>28,465.53</i>	2,419.11 <i>10,206.24</i>	63,177.75 <i>60,439.32</i>	1,084,597 2,592
<b>Female Breadwinner WITH children</b>						<b>Female Breadwinner WITHOUT children</b>					
1	14,150.48 <i>7,382.88</i>	3,909.37 <i>7,273.72</i>	0.00 <i>0.00</i>	14,150.48 <i>7,382.88</i>	169,875 530	1	8,850.52 <i>5,240.16</i>	4,411.98 <i>5,632.49</i>	0.00 <i>0.00</i>	8,850.52 <i>5,240.16</i>	35,494 85
2	27,629.35 <i>10,338.78</i>	14,184.75 <i>14,360.31</i>	0.00 <i>0.00</i>	27,629.35 <i>10,338.78</i>	112,307 298	2	17,425.86 <i>7,813.77</i>	7,641.24 <i>9,202.49</i>	0.00 <i>0.00</i>	17,425.86 <i>7,813.77</i>	75,523 178
3	40,459.36 <i>15,017.83</i>	25,654.35 <i>18,547.11</i>	4.61 <i>87.74</i>	40,454.75 <i>14,993.11</i>	96,998 263	3	26,010.11 <i>12,852.55</i>	14,558.08 <i>13,828.93</i>	0.00 <i>0.00</i>	26,010.11 <i>12,852.55</i>	99,963 243
4	60,599.55 <i>20,153.68</i>	39,375.72 <i>26,598.91</i>	126.18 <i>861.45</i>	60,473.36 <i>19,999.82</i>	73,646 216	4	36,413.10 <i>17,021.92</i>	23,856.15 <i>20,233.52</i>	3.90 <i>76.66</i>	36,409.21 <i>17,008.37</i>	144,168 337
5	131,823.54 <i>139,263.36</i>	42,419.14 <i>32,074.73</i>	3,373.77 <i>7,557.55</i>	128,449.77 <i>139,027.79</i>	39,683 122	5	77,556.89 <i>64,034.55</i>	41,558.54 <i>29,447.97</i>	2,142.13 <i>7,926.78</i>	75,414.76 <i>61,226.82</i>	265,001 584
<b>Total</b>	38,832.44 <i>52,022.72</i>	18,941.29 <i>22,787.64</i>	291.61 <i>2,348.32</i>	38,540.83 <i>51,473.03</i>	492,509 1,429	<b>Total</b>	48,427.88 <i>50,372.91</i>	26,845.90 <i>26,477.07</i>	916.27 <i>5,286.43</i>	47,511.60 <i>48,321.49</i>	620,149 1,427
<b>Dual Employed HHS WITH children</b>						<b>Dual Employed HHS WITHOUT children</b>					
1	22,872.13 <i>10,948.04</i>	5,600.82 <i>9,435.90</i>	0.00 <i>0.00</i>	22,872.13 <i>10,948.04</i>	194,218 559	1	9,875.84 <i>5,079.33</i>	805.46 <i>2,877.69</i>	0.00 <i>0.00</i>	9,875.84 <i>5,079.33</i>	11,733 38
2	41,056.71 <i>15,569.25</i>	17,884.34 <i>17,419.21</i>	0.00 <i>0.00</i>	41,056.71 <i>15,569.25</i>	300,651 773	2	24,297.72 <i>9,077.47</i>	6,341.89 <i>9,557.80</i>	0.00 <i>0.00</i>	24,297.72 <i>9,077.47</i>	45,923 125
3	58,229.57 <i>17,723.04</i>	34,903.64 <i>24,290.50</i>	1.59 <i>39.00</i>	58,227.98 <i>17,719.04</i>	387,955 963	3	41,867.38 <i>14,648.03</i>	18,891.96 <i>18,181.48</i>	0.00 <i>0.00</i>	41,867.38 <i>14,648.03</i>	113,407 293
4	87,191.13 <i>26,499.35</i>	50,821.89 <i>31,669.50</i>	212.23 <i>1,537.75</i>	86,978.90 <i>26,079.14</i>	422,128 1,022	4	65,731.75 <i>27,190.60</i>	37,428.86 <i>30,942.86</i>	42.39 <i>446.56</i>	65,689.36 <i>27,091.25</i>	260,155 575
5	175,750.26 <i>243,417.56</i>	63,062.49 <i>38,538.42</i>	9,944.50 <i>20,032.24</i>	165,805.76 <i>239,623.08</i>	373,772 818	5	144,932.29 <i>114,948.57</i>	58,464.47 <i>37,456.38</i>	6,436.12 <i>15,896.21</i>	138,496.17 <i>108,309.06</i>	545,016 1,073
<b>Total</b>	84,512.23 <i>127,590.05</i>	38,737.82 <i>34,059.72</i>	2,267.90 <i>10,331.80</i>	82,244.33 <i>124,412.35</i>	1,678,724 4,135	<b>Total</b>	104,555.47 <i>98,890.05</i>	45,116.79 <i>37,012.88</i>	3,604.48 <i>12,296.35</i>	100,950.99 <i>93,120.05</i>	976,234 2,104
<b>None Employed WITH children</b>						<b>None Employed WITHOUT children</b>					
1	8,555.39 <i>6,218.32</i>	3,071.00 <i>5,384.53</i>	0.00 <i>0.00</i>	8,555.39 <i>6,218.32</i>	96,579 312	1	7,662.69 <i>4,925.88</i>	4,695.31 <i>5,676.54</i>	0.00 <i>0.00</i>	7,662.69 <i>4,925.88</i>	76,620 236
2	22,633.57 <i>8,381.03</i>	12,875.93 <i>11,451.79</i>	0.00 <i>0.00</i>	22,633.57 <i>8,381.03</i>	27,080 87	2	13,390.61 <i>5,516.90</i>	9,759.54 <i>5,606.97</i>	0.00 <i>0.00</i>	13,390.61 <i>5,516.90</i>	190,852 480
3	35,893.51 <i>12,429.70</i>	18,665.06 <i>21,360.44</i>	0.00 <i>0.00</i>	35,893.51 <i>12,429.70</i>	8,874 30	3	17,506.01 <i>7,275.90</i>	14,909.45 <i>7,717.80</i>	0.00 <i>0.00</i>	17,506.01 <i>7,275.90</i>	395,929 902
4	49,873.17 <i>24,471.37</i>	1,512.67 <i>8,375.74</i>	9.57 <i>84.15</i>	49,863.59 <i>24,462.91</i>	7,573 18	4	26,917.09 <i>11,084.03</i>	21,225.06 <i>13,005.89</i>	0.24 <i>10.10</i>	26,916.85 <i>11,083.16</i>	281,126 618
5	189,273.76 <i>125,730.18</i>	7,990.27 <i>25,043.98</i>	522.52 <i>2,431.24</i>	188,751.25 <i>125,934.80</i>	5,125 19	5	110,892.73 <i>331,563.94</i>	28,284.32 <i>25,586.72</i>	477.65 <i>2,368.43</i>	110,415.07 <i>331,544.47</i>	198,314 510
<b>Total</b>	21,382.65 <i>42,060.37</i>	5,944.42 <i>10,978.66</i>	18.94 <i>455.73</i>	21,363.72 <i>42,006.61</i>	145,231 466	<b>Total</b>	17,239.11 <i>142,658.29</i>	17,239.11 <i>15,161.17</i>	82.95 <i>1,002.29</i>	34,596.03 <i>142,606.24</i>	1,142,841 2,746

Source: author's calculations, based on EPH

Table B.06- Incidence by gender of employment status, presence of children, and quintile  
Significance tests for pretax income, deductions, total income tax and post-tax income (standard errors in italics)

Quintile	Net HH income	Total income tax	Total deductions	HH income	Quintile	Net HH income	Total income tax	Total deductions	HH income
<b>Male Breadwinner</b>					<b>Male Breadwinner vs none employed</b>				
1					1	28.52560	-	7.54495	28.52560
2	30.80871	-	23.58201	30.80871	2	40.54310	-	18.29853	40.54310
3	16.03016	1.60205	8.31759	16.02981	3	40.95383	1.60205	16.91158	40.94777
4	17.66161	6.73149	3.42491	17.73265	4	34.18860	6.77343	9.87611	34.10579
5	18.65625	14.12128	5.87859	19.30481	5	-0.73071	13.22244	7.31246	-0.31241
<b>Total</b>	-21.39729	-10.67835	-13.27855	-21.06174	<b>Total</b>	8.28907	13.61943	21.64361	8.83901
<b>Female Breadwinner</b>					<b>Female Breadwinner vs male breadwinner</b>				
1					1	-13.55175	-	-6.54989	-13.55175
2	18.03558	-	11.50247	18.03558	2	-14.64459	-	-11.47274	-14.64459
3	11.26979	0.82950	8.74346	11.26635	3	-10.41428	0.17249	-6.97612	-10.40737
4	9.97379	1.97585	7.16790	9.98282	4	-12.13174	-4.48192	-1.31284	-12.18112
5	12.29857	7.58525	8.34734	12.71848	5	-5.36822	-7.86526	2.38573	-6.15032
<b>Total</b>	-12.59341	-5.41086	-15.08512	-12.79019	<b>Total</b>	-8.76194	-7.10861	-3.63559	-9.12501
<b>Dual Employed</b>					<b>Dual Employed vs male breadwinner</b>				
1					1	6.30029	-	-2.93393	6.30029
2	21.02202	-	13.89176	21.02202	2	10.62898	-	-5.29992	10.62898
3	21.13028	1.27171	16.87893	21.13012	3	16.40141	-0.36199	4.43326	16.39701
4	27.64712	4.69905	13.75012	27.61770	4	18.56466	-1.60304	12.44736	18.27993
5	17.35160	18.82243	12.33316	18.74561	5	10.48863	2.25868	17.62360	10.28701
<b>Total</b>	-14.17355	-11.80710	-19.63117	-14.95130	<b>Total</b>	22.21662	6.36677	27.52613	21.91060
<b>None Employed</b>					<b>Total vs male breadwinner</b>				
1					1	-6.68718	-	-3.84500	-6.68718
2	17.17982	-	17.27214	17.17982	2	-6.05741	-	-7.70969	-6.05741
3	8.83414	-	12.42366	8.83414	3	-5.66315	-0.46224	-3.67866	-5.66269
4	17.56091	0.73652	9.65441	17.55995	4	0.74786	-2.53996	4.15431	0.64264
5	5.94531	4.64484	5.70961	5.97850	5	6.06893	-1.25585	9.16668	5.51594
<b>Total</b>	-5.48121	-3.86268	-10.25567	-5.50873	<b>Total</b>	7.68693	-0.03301	8.75355	7.23116
<b>Total</b>					<b>Total vs dual employed</b>				
1					1	-11.43711	-	0.17425	-11.43711
2	40.31785	-	33.03654	40.31785	2	-15.55935	-	-0.49860	-15.55935
3	20.85895	2.07562	19.23102	20.85949	3	-25.43097	-0.03798	-9.17263	-25.42664
4	34.76974	7.89054	18.47842	34.79905	4	-21.86580	-0.56331	-11.49590	-21.67904
5	24.17820	24.85504	17.89276	25.81131	5	-5.83736	-4.24126	-12.10889	-6.09746
<b>Total</b>	-23.13795	-17.83480	-32.00302	-24.17256	<b>Total</b>	-17.20060	-7.45515	-23.99826	-17.32451

Source: author's calculations, based on EPH

### B.3. Results for households classified by gender of household head

Table B.07 - Incidence by gender of household head, presence of children, and quintile  
Means of pre-tax income, deductions, total income tax and post-tax income (standard errors in italics)

Quintile	Household income	Total deductions	Total income tax	Net Household income	# of HHS
<b>Male Headed household</b>					
1	18,115.90	6,359.69	0.00	18,115.90	587,246
	<i>9,916.31</i>	<i>9,864.04</i>	<i>0.00</i>	<i>9,916.31</i>	1603
2	31,712.92	18,087.26	0.00	31,712.92	842,724
	<i>14,643.98</i>	<i>15,908.75</i>	<i>0.00</i>	<i>14,643.98</i>	2132
3	43,699.42	27,497.59	1.88	43,697.54	970,597
	<i>20,554.79</i>	<i>21,779.23</i>	<i>44.11</i>	<i>20,549.50</i>	2407
4	67,175.54	38,897.84	153.47	67,022.07	1,090,837
	<i>30,000.05</i>	<i>30,554.67</i>	<i>913.15</i>	<i>29,782.94</i>	2629
5	134,980.13	49,838.45	7,029.62	127,950.51	1,410,002
	<i>154,180.13</i>	<i>36,930.78</i>	<i>16,982.16</i>	<i>148,745.34</i>	3132
<b>Total</b>	70,057.06	32,311.11	2,056.76	68,000.30	4,901,406
	<i>95,380.70</i>	<i>31,098.80</i>	<i>9,649.91</i>	<i>91,480.37</i>	11903
<b>Female Headed household</b>					
1	14,248.18	4,058.83	0.00	14,248.18	420,376
	<i>9,620.61</i>	<i>7,070.58</i>	<i>0.00</i>	<i>9,620.61</i>	1214
2	24,962.15	11,546.88	0.00	24,962.15	384,024
	<i>14,290.44</i>	<i>13,309.18</i>	<i>0.00</i>	<i>14,290.44</i>	1016
3	30,020.60	18,942.74	0.00	30,020.60	562,880
	<i>19,356.11</i>	<i>16,621.90</i>	<i>0.00</i>	<i>19,356.11</i>	1353
4	45,632.71	27,315.19	76.61	45,556.09	548,443
	<i>29,383.66</i>	<i>25,102.10</i>	<i>1,150.04</i>	<i>29,113.29</i>	1256
5	110,523.05	43,176.64	3,082.70	107,440.35	584,525
	<i>209,657.92</i>	<i>34,475.93</i>	<i>10,299.50</i>	<i>208,179.00</i>	1347
<b>Total</b>	48,836.79	22,806.40	737.50	48,099.29	2,500,248
	<i>108,864.11</i>	<i>26,401.15</i>	<i>5,172.51</i>	<i>107,779.42</i>	6186
<b>Total</b>					
1	16,502.30	5,399.78	0.00	16,502.30	1,007,622
	<i>9,976.38</i>	<i>8,878.39</i>	<i>0.00</i>	<i>9,976.38</i>	2817
2	29,599.65	16,039.84	0.00	29,599.65	1,226,748
	<i>14,865.48</i>	<i>15,441.83</i>	<i>0.00</i>	<i>14,865.48</i>	3148
3	38,678.46	24,357.43	1.19	38,677.27	1,533,477
	<i>21,173.48</i>	<i>20,458.59</i>	<i>35.11</i>	<i>21,169.95</i>	3760
4	59,968.10	35,022.71	127.76	59,840.34	1,639,280
	<i>31,478.18</i>	<i>29,355.45</i>	<i>999.19</i>	<i>31,244.44</i>	3885
5	127,812.63	47,886.11	5,872.92	121,939.71	1,994,527
	<i>172,634.43</i>	<i>36,351.52</i>	<i>15,432.32</i>	<i>168,585.65</i>	4479
<b>Total</b>	62,888.94	29,100.46	1,611.12	61,277.82	7,401,654
	<i>100,637.34</i>	<i>29,934.22</i>	<i>8,431.45</i>	<i>97,743.31</i>	18089

Source: author's calculations, based on EPH



Table B.08 - Incidence by gender of household head, presence of children, and quintile  
Means of pre-tax income, deductions, total income tax and posttax income (standard errors in italics)

Quintile	HH income	Total deductions	Total income tax	Net HH income	# of HHs	Quintile	HH income	Total deductions	Total income tax	Net HH income	# of HHs
<b>Male Headed HH WITH children</b>						<b>Male Headed HH WITHOUT children</b>					
1	19,546.82 <i>9,682.14</i>	6,822.19 <i>10,262.25</i>	0.00 <i>0.00</i>	19,546.82 <i>9,682.14</i>	503,666 <i>1,375</i>	1	9,492.93 <i>6,280.76</i>	3,572.62 <i>6,336.94</i>	0.00 <i>0.00</i>	9,492.93 <i>6,280.76</i>	83,580 <i>228</i>
2	36,860.18 <i>13,402.96</i>	21,431.54 <i>16,720.83</i>	0.00 <i>0.00</i>	36,860.18 <i>13,402.96</i>	606,367 <i>1,546</i>	2	18,507.79 <i>7,838.41</i>	9,507.59 <i>9,109.77</i>	0.00 <i>0.00</i>	18,507.79 <i>7,838.41</i>	236,357 <i>586</i>
3	54,953.86 <i>17,577.88</i>	34,392.62 <i>24,154.52</i>	3.11 <i>56.79</i>	54,950.74 <i>17,569.24</i>	546,348 <i>1,365</i>	3	29,205.95 <i>13,985.30</i>	18,618.16 <i>13,930.05</i>	0.29 <i>17.22</i>	29,205.67 <i>13,984.47</i>	424,249 <i>1,042</i>
4	83,334.38 <i>24,960.70</i>	46,824.24 <i>32,550.77</i>	276.15 <i>1,220.47</i>	83,058.23 <i>24,674.21</i>	535,644 <i>1,306</i>	4	51,585.68 <i>25,933.68</i>	31,250.53 <i>26,335.74</i>	35.12 <i>416.37</i>	51,550.56 <i>25,850.63</i>	555,193 <i>1,323</i>
5	174,600.01 <i>235,023.77</i>	60,410.08 <i>37,440.69</i>	10,654.19 <i>20,479.00</i>	163,945.82 <i>230,602.39</i>	415,426 <i>948</i>	5	118,431.24 <i>98,577.31</i>	45,422.77 <i>35,811.32</i>	5,515.67 <i>15,035.16</i>	112,915.57 <i>91,678.37</i>	994,576 <i>2,184</i>
<b>Total</b>	68,799.28 <i>107,787.26</i>	32,751.86 <i>31,161.05</i>	1,754.84 <i>9,060.24</i>	67,044.44 <i>104,601.92</i>	2,607,451 <i>6,540</i>	<b>Total</b>	71,486.73 <i>78,930.96</i>	31,810.12 <i>31,023.09</i>	2,399.95 <i>10,269.24</i>	69,086.78 <i>73,778.96</i>	2,293,955 <i>5,363</i>
<b>Female Headed HH WITH children</b>						<b>Female Headed HH WITHOUT children</b>					
1	15,829.06 <i>9,883.17</i>	4,061.71 <i>7,545.95</i>	0.00 <i>0.00</i>	15,829.06 <i>9,883.17</i>	338,539 <i>985</i>	1	7,708.46 <i>4,286.00</i>	4,046.91 <i>4,622.84</i>	0.00 <i>0.00</i>	7,708.46 <i>4,286.00</i>	81,837 <i>229</i>
2	32,558.80 <i>13,398.88</i>	14,740.55 <i>15,919.29</i>	0.00 <i>0.00</i>	32,558.80 <i>13,398.88</i>	217,159 <i>579</i>	2	15,075.82 <i>7,974.22</i>	7,390.62 <i>6,897.82</i>	0.00 <i>0.00</i>	15,075.82 <i>7,974.22</i>	166,865 <i>437</i>
3	47,336.87 <i>17,991.47</i>	28,554.78 <i>20,540.36</i>	0.00 <i>0.00</i>	47,336.87 <i>17,991.47</i>	190,667 <i>515</i>	3	21,150.30 <i>12,984.18</i>	14,018.94 <i>11,418.80</i>	0.00 <i>0.00</i>	21,150.30 <i>12,984.18</i>	372,213 <i>838</i>
4	73,928.88 <i>30,402.94</i>	41,792.78 <i>31,978.65</i>	274.15 <i>2,216.28</i>	73,654.73 <i>29,691.14</i>	144,499 <i>376</i>	4	35,510.59 <i>21,288.18</i>	22,136.26 <i>19,713.89</i>	5.95 <i>151.46</i>	35,504.64 <i>21,269.72</i>	403,944 <i>880</i>
5	144,202.72 <i>112,403.87</i>	49,335.21 <i>39,784.74</i>	6,627.48 <i>16,561.44</i>	137,575.24 <i>107,746.54</i>	76,060 <i>219</i>	5	105,485.00 <i>220,138.16</i>	42,255.40 <i>33,528.46</i>	2,552.44 <i>8,883.96</i>	102,932.55 <i>218,956.77</i>	508,465 <i>1,128</i>
<b>Total</b>	44,580.01 <i>49,989.30</i>	20,489.71 <i>26,160.88</i>	562.30 <i>5,036.73</i>	44,017.71 <i>48,052.87</i>	966,924 <i>2,674</i>	<b>Total</b>	51,521.14 <i>133,165.32</i>	24,267.32 <i>26,450.77</i>	847.98 <i>5,253.98</i>	50,673.16 <i>132,177.88</i>	1,533,324 <i>3,512</i>

Source: author's calculations, based on EPH

Table B.09 - Incidence by gender of household head, presence of children, and quintile  
 Significance tests for pretax income, deductions, total income tax and post-tax income (standard errors in italics)

Quintile	Net Household income	Total income tax	Total deductions	Household income	Quintile	Net Household income	Total income tax	Total deductions	Household income
<b>Male Headed household</b>					<b>Male Headed household vs Total</b>				
1					1	5.18967	-	3.22343	5.18967
2	33.78961	-	27.68773	33.78961	2	5.11370	-	4.64296	5.11370
3	22.81135	2.08797	16.74622	22.81119	3	9.24884	0.64649	5.65466	9.24807
4	32.57036	8.50139	15.34177	32.62253	4	9.36031	1.07320	5.10184	9.32509
5	22.39527	22.62124	12.30465	24.07475	5	1.64143	3.03502	2.28426	1.89913
<b>Total</b>	-21.51075	-15.73319	-24.38311	-22.46193	<b>Total</b>	6.05844	4.11060	8.87790	6.22916
<b>Female Headed household</b>					<b>Female Headed household vs male Headed household</b>				
1					1	-10.42729	-	-7.20858	-10.42729
2	20.34799	-	16.12946	20.34799	2	-12.29274	-	-12.08172	-12.29274
3	7.31719	-	12.02065	7.31719	3	-20.33538	-2.08797	-13.50501	-20.33614
4	15.92452	2.36091	9.96517	15.89823	4	-21.33593	-2.07647	-12.51322	-21.22930
5	10.79741	10.64106	13.48224	11.24154	5	-3.27427	-9.54934	-5.80305	-3.85628
<b>Total</b>	-10.16914	-8.13650	-20.42060	-10.49476	<b>Total</b>	-12.38761	-11.96938	-21.58331	-12.96200
<b>Total</b>					<b>Total</b>				
1					1				
2	40.31785	-	33.03654	40.31785	2				
3	20.85895	2.07562	19.23102	20.85949	3				
4	34.76974	7.89054	18.47842	34.79905	4				
5	24.17820	24.85504	17.89276	25.81131	5				
<b>Total</b>	-23.13795	-17.83480	-32.00302	-24.17256	<b>Total</b>				

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